

COMMITTEE HEARINGS

COMMITTEE ON INVALID PENSIONS

There will be a meeting of the Committee on Invalid Pensions at 10 a. m. on Wednesday, May 31, 1939, in room 247, House Office Building, for the purpose of holding public hearings on H. R. 2889, a bill to provide that the widows and orphans of deceased veterans of the Regular Establishment shall be entitled to the same pensions, under the same conditions otherwise, as provided for widows and orphans of deceased World War veterans, and for other purposes; H. R. 2897, a bill to equalize the pensions payable to the dependents of veterans of the Regular Establishment with those payable to dependents of veterans of the World War whose death is due to service; and H. R. 6129, a bill to restore to the widows of the Regular Establishment the marriage privileges taken away by the Economy Act.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, May 31, 1939, on House Joint Resolution 165, Dingell child refugee bill; House Joint Resolution 168, Rogers child refugee bill.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, May 31, 1939, at 10:30 a. m., for the consideration of House Joint Resolution 117, H. R. 2390, H. R. 2776, H. R. 3797, H. R. 5002, and H. R. 5409.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs (executive session) in the committee rooms, Capitol, at 10:30 a. m. Thursday, June 1, 1939, for the consideration of House Joint Resolution 306, Neutrality Act of 1939.

COMMITTEE ON THE JUDICIARY

On May 31, 1939, beginning at 10 a. m., there will be a public hearing before the Committee on the Judiciary on the bill (H. R. 6369) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to create a Railroad Reorganization Court, and for other purposes.

There will be a public hearing before Subcommittee No. III of the Committee on the Judiciary on Friday, June 2, 1939, at 10 a. m., on the bill (H. R. 2318) to divorce the business of production, refining, and transporting of petroleum products from that of marketing petroleum products. Room 346, House Office Building.

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Committee on the Post Office and Post Roads will continue to hold public hearings on Thursday, June 1, 1939, at 10 a. m., for the consideration of H. R. 3835, a bill to authorize the Post Office Department to cooperate with the several States in the collection of State taxes.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Wednesday, May 31, 1939, at 10 a. m., on H. R. 4985, relating to Fishery Educational Service in Bureau of Fisheries (CALDWELL); H. R. 5025, purchase and distribution of fish products (BLAND); and H. R. 5681, purchase and distribution of fish products (CALDWELL).

On Tuesday, June 6, 1939, on H. R. 6039, motorboat bill of 1939 (BLAND); and H. R. 6273, outboard racing motorboats (BOYKIN).

On Thursday, June 8, 1939, on H. R. 5837, alien owners and officers of vessels (KRAMER); and H. R. 6042, requiring numbers on undocumented vessels (KRAMER).

On Tuesday, June 13, 1939, on H. R. 1011, drydock facilities for San Francisco (WELCH); H. R. 2870, drydock facilities for Los Angeles (THOMAS F. FORD); H. R. 3040, drydock facilities

for Los Angeles (GEYER of California); and H. R. 5787, drydock facilities for Seattle, Wash. (MAGNUSON).

On Thursday, June 15, 1939, on H. J. Res. 194, investigate conditions pertaining to lascar seamen (SIROVICH).

On Friday, June 16, 1939, on H. R. 5611, district commanders bill (U. S. Coast Guard).

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred, as follows:

By The SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their senate joint resolution No. 5, relative to shipbuilding facilities on the Pacific coast; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. BARNES:

H. R. 6569. A bill granting a pension to Deck Dabbs; to the Committee on Invalid Pensions.

By Mr. BOREN:

H. R. 6570. A bill for the relief of W. Cooke; to the Committee on Claims.

By Mr. PETERSON of Florida:

H. R. 6571. A bill granting a pension to Jesse P. Gaither; to the Committee on Claims.

By Mr. DIMOND:

H. Res. 207. House resolution providing for a special employee of the House of Representatives; to the Committee on Accounts.

SENATE

WEDNESDAY, MAY 31, 1939

The Reverend Harry Rimmer, D. D., Sc. D., of Duluth, Minn., president of the Research Science Bureau, offered the following prayer:

Our Heavenly Father, we thank Thee for every good and gracious gift that Thou hast bestowed upon men, for the gift of life and health and strength, for tasks to do and the courage to perform. We pray Thy blessing upon this group of men who rule us, and we ask that the wisdom of the Holy Spirit may be manifested in all of their decisions. As Thou shalt lay upon them problems that are weighty, wilt Thou give them also understanding from above, that the old foundation of Christian faith may continue to be the standard of our daily conduct. Bless these men in their individual lives, that they may be able to render unto God an acceptable accounting of their thoughts and their conduct. For Jesus Christ's sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 29, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calhoun, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2878) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 913. An act to prohibit the unauthorized use of the name or insignia of the 4-H clubs, and for other purposes;

H. R. 2044. An act for the relief of R. Dove and Laura J. Dove;

H. R. 2097. An act for the relief of Homer C. Stroud;

H. R. 2259. An act for the relief of Stanley Mercuri;

H. R. 2345. An act for the relief of R. H. Gray;

H. R. 2878. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

H. R. 2926. An act for the relief of Bernard Woodruff;

H. R. 3074. An act for the relief of Edgar Green;

H. R. 3300. An act for the relief of Grace Rouse;

H. R. 3646. An act to authorize certain officers and employees to administer oaths to expense accounts;

H. R. 3897. An act for the relief of Harry L. Smigell;

H. R. 5136. An act to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931;

H. R. 5324. An act to amend certain sections of the National Housing Act;

H. R. 5485. An act permitting the War Department to transfer old horses and mules to the care of reputable humane organizations;

H. R. 5601. An act for the relief of John T. Clarkson;

H. R. 5756. An act to amend section 509 of the Merchant Marine Act, 1936, as amended;

H. J. Res. 171. Joint resolution authorizing the President of the United States to accept on behalf of the United States a conveyance of certain lands on Government Island from the city of Alameda, Calif., and for other purposes;

H. J. Res. 189. Joint resolution to define the status of the Under Secretary of Agriculture, and for other purposes; and

H. J. Res. 280. Joint resolution authorizing the payment of salaries of the officers and employees of Congress on the first workday preceding the last day of any month when the last day falls on Sunday or a legal holiday.

LAWS OF THE FIRST NATIONAL ASSEMBLY OF THE PHILIPPINES

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Territories and Insular Affairs.

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," I transmit herewith copies of laws enacted by the First National Assembly of the Philippines during its third session, from January 24, 1938, to May 19, 1938; its fourth special session, May 23 and 24, 1938; and its fifth special session, from July 25, 1938, to August 15, 1938.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 31, 1939.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF COMMERCE (S. DOC. NO. 78)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, supplemental estimates of appropriations under the Department of Commerce, Coast and Geodetic Survey, for the fiscal year 1940, amounting to \$360,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

ADDITION OF LANDS TO ROCKY MOUNTAIN NATIONAL PARK, COLO.

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation to add certain lands to the Rocky Mountain National Park in the State of Colorado, and for other purposes, which, with the accompanying papers, was referred to the Committee on Public Lands and Surveys.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate letters from his signature to the following enrolled bills and joint resolutions, lists of papers and documents on the files of the Departments of the Treasury, of War, of Justice (4), Post Office, of the Navy, of the Interior, of Agriculture, of Commerce (2), of Labor; the Civil Service Commission, the United States Tariff Commission, the Federal Housing Administration, the Panama Canal, and the Northwest Territorial Celebration Commission, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Executive Papers.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. GIBSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate petitions of sundry citizens of the State of California, praying for the enactment of pending general-welfare legislation granting old-age assistance, which were referred to the Committee on Finance.

Mr. WHEELER presented petitions of sundry citizens of the State of Montana, praying for the enactment of legislation designed to keep the United States out of war, which were referred to the Committee on Foreign Relations.

Mr. WALSH presented a resolution of Belmont Post, No. 165, the American Legion, Belmont, Mass., protesting against the enactment of the so-called Wagner-Rogers bill, providing for the admission of refugee children from Germany into the United States, which was referred to the Committee on Immigration.

Mr. NORRIS presented a resolution of the Burwell National Farm Loan Association, of Burwell, Nebr., relative to the Federal Land Bank of Omaha, Nebr., taking into consideration the findings of the association and acting accordingly by reappraisal of all the lands upon which it has a Federal land-bank loan or commissioner's loan, and to arrive at a just and fair value of such real estate, to reduce and renew the same to a mortgage based upon the present valuation and upon the same proportion as is at present used in making new loans if any there be, and to permit the farmer or rancher to make payments on any indebtedness based upon the full amount, such appraisal and adjustment to be made as may be mutually agreed upon between the association and the Federal Land Bank of Omaha, Nebr., and to be uniform throughout the district, which was referred to the Committee on Agriculture and Forestry.

Mr. TYDINGS presented resolutions of the Maryland State and District of Columbia Federation of Labor, favoring the proposed new location of the Abbott Vocational School and also favoring the enactment of legislation granting sabbatical leave of absence to teachers in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented petitions, numerous signed, of sundry citizens of the State of Maryland, praying for the enactment of House bill 2, a general-welfare bill granting old-age assistance, which were referred to the Committee on Finance.

Mr. CAPPER presented a petition, numerous signed, of sundry citizens of Oswego, Kans., praying for the enactment of House bill 2, a general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Third District Convention of the American Legion, Department of Kansas, Neodesha, Kans., favoring the enactment of legislation to provide for a reduction in the interest rates of loans on converted war-risk insurance policies, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Third District Convention of the American Legion, Department of Kansas, Neodesha, Kans., protesting against the enactment of legislation to admit 20,000 refugee children from Germany

into the United States, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Labette County Unit of the American Indian Federation, Chetopa, Kans., favoring the enactment of legislation to provide for the ending of Federal supervision of certain individual Indians, and also to provide for the final settlement of Indian claims against the Government, which was referred to the Committee on Indian Affairs.

REPORTS OF COMMITTEES

Mr. CLARK of Missouri, from the Committee on Inter-oceanic Canals, to which was referred the bill (S. 310) to amend the Canal Zone Code, reported it without amendment and submitted a report thereon.

Mr. CLARK of Missouri subsequently said: Mr. President, earlier in the day I presented a report from the Committee on Inter-oceanic Canals on Senate bill 310. I think that bill requires some further hearings. I ask unanimous consent to withdraw the report, and that the bill be recommitted to the Committee on Inter-oceanic Canals.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the request of the Senator from Missouri? The Chair hears none, and it is so ordered.

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2237) to amend the Taylor Grazing Act, reported it without amendment and submitted a report (No. 505) thereon.

He also, from the same committee, to which was referred the bill (S. 2133) authorizing the conveyance of certain lands to the State of Nevada, reported it with an amendment and submitted a report (No. 506) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1474. A bill for the relief of Thomas G. Abbitt (Rept. No. 504); and

H. R. 2478. A bill for the relief of the Wisconsin Milling Co. and Wisconsin Telephone Co. (Rept. No. 507).

Mr. TOWNSEND also, from the Committee on Claims, to which was referred the bill (S. 2023) for the relief of C. L. Herren, reported it with amendments and submitted a report (No. 508) thereon.

He also, from the same committee, to which was referred the bill (H. R. 2346) for the relief of Virgil Kuehl, a minor, reported it with an amendment and submitted a report (No. 509) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H. R. 1363) for the relief of George Houston, reported it without amendment and submitted a report (No. 510) thereon.

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (H. R. 2583) for the relief of A. W. Evans, reported it with an amendment and submitted a report (No. 511) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 2276) for the relief of the R. G. Schreck Lumber Co., reported it with an amendment and submitted a report (No. 512) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 263. A bill for the relief of George R. Morris (Rept. No. 513); and

S. 2275. A bill for the relief of Floyd M. Dunscomb (Rept. No. 514).

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 28) to provide for the erection of a public historical museum in the Custer Battlefield National Cemetery, Mont., reported it with an amendment and submitted a report (No. 515) thereon.

Mr. MINTON, from the Committee on Military Affairs, to which was referred the bill (S. 903) to authorize the Chief of Engineers of the Army to enter into agreements with local governments adjacent to the District of Columbia for the use

of water for purposes of fire fighting only, reported it without amendment and submitted a report (No. 516) thereon.

Mr. DOWNEY, from the Committee on Military Affairs, to which was referred the bill (S. 1238) for the relief of Maude Isabel Rathburn Miner, reported it without amendment and submitted a report (No. 517) thereon.

Mr. PITTMAN, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2) authorizing the Secretary of the Interior to convey certain land to the State of Nevada to be used for the purposes of a public park and recreational site and other public purposes, reported it with an amendment and submitted a report (No. 518) thereon.

He also, from the Committee on Foreign Relations, to which were referred the following bills and joint resolutions, reported them severally without amendment and submitted reports thereon:

H. R. 3065. A bill to amend Public Law No. 370, Seventy-fourth Congress, approved August 27, 1935 (49 Stat. 906) (Rept. No. 519);

H. R. 5933. A bill for the relief of Frances Virginia McCloud (Rept. No. 520);

H. R. 5934. A bill for the relief of W. Elisabeth Beitz (Rept. No. 521);

H. R. 5935. A bill for the relief of Charlotte J. Gilbert (Rept. No. 522);

S. J. Res. 137. Joint resolution authorizing and requesting the President to accept the invitation of the Government of Norway to the Government of the United States to participate in an International Exhibition of Polar Exploration, which will be held at Bergen, Norway, in 1940; and authorizing an appropriation to cover the expenses of such participation (Rept. No. 523); and

H. J. Res. 180. Joint resolution to provide that the United States extend to foreign governments invitations to participate in the Seventh International Congress for the Rheumatic Diseases to be held in the United States during the calendar year 1940, and to authorize an appropriation to assist in meeting the expenses of the session (Rept. No. 524).

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On May 24, 1939:

S. 1579. An act to extend the time during which orders and marketing agreements under the Agricultural Adjustment Act, as amended, may be applicable to hops; and

S. 1583. An act to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes."

On May 25, 1939:

S. 1096. An act to amend the Agricultural Marketing Agreement Act of 1937, as amended, to make its provisions applicable to apples produced in the States of Washington, Oregon, and Idaho.

On May 29, 1939:

S. 1369. An act to authorize necessary facilities for the Coast Guard in the interest of national defense and the performance of its maritime police functions; and

S. 1842. An act to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCHWELLENBACH:

S. 2519. A bill for the purpose of extending to employees of the Government of the United States rights and privilege in adjusting grievances; and

S. 2520. A bill for the purpose of regulating the conditions of employment of mechanics and helpers at all navy yards and naval stations under the Navy Department, and for other purposes; to the Committee on Naval Affairs.

By Mr. NEELY:

S. 2521. A bill granting an increase of pension to Mary M. Lewis; to the Committee on Pensions.

By Mr. NYE:

S. 2522. A bill to transfer from the Farm Credit Administration and certain agencies thereof to the Secretary of Agriculture certain notes and other evidences of indebtedness, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Oklahoma:

S. 2523. A bill to provide for the construction, extension, equipment, and improvement of public-school facilities at McCurtain, Okla., Haskell County; to the Committee on Indian Affairs.

By Mr. DOWNEY:

S. 2524. A bill to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

By Mr. SHEPPARD:

S. 2525. A bill for the relief of Samuel Richard Mann; to the Committee on Finance.

By Mr. BARKLEY:

S. 2526. A bill to authorize Leonhard Stejneger, of the United States National Museum, to accept certain decoration from the Norwegian Government; to the Committee on Foreign Relations.

By Mr. WILEY:

S. J. Res. 141. Joint resolution proposing an amendment to the Constitution of the United States relating to the terms of office of the President and the Vice President; to the Committee on the Judiciary.

By Mr. LUNDEEN:

S. J. Res. 142. Joint resolution proposing an amendment to the Constitution of the United States relating to old-age assistance; to the Committee on the Judiciary.

AMENDMENTS TO RIVER AND HARBOR AUTHORIZATION BILL

Mr. WHITE. Mr. President, on behalf of my colleague [Mr. HALE], who is necessarily temporarily absent, I submit an amendment.

The amendment submitted by Mr. WHITE (for Mr. HALE) and intended to be proposed by Mr. HALE to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, was referred to the Committee on Commerce and ordered to be printed.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to House bill 6264, the river and harbor authorization bill, which was referred to the Committee on Commerce and ordered to be printed.

APPROPRIATIONS FOR CIVIL FUNCTIONS OF THE WAR DEPARTMENT—AMENDMENTS

Mr. WHEELER submitted an amendment intended to be proposed by him to the bill (H. R. 6260) making appropriations for the fiscal year ending June 30, 1940, for civil functions administered by the War Department, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

On page 4, between lines 7 and 8, to insert the following:

"Custer Battlefield National Cemetery, Mont., historical museum: For the erection and maintenance, by the Secretary of War, of a public historical museum within the Custer Battlefield National Cemetery, Mont., \$75,000."

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (H. R. 6260) making appropriations for the fiscal year ending June 30, 1940, for civil functions administered by the War Department, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

On page 9, line 13, after the word "law", to insert a colon and the following additional proviso:

"Provided further, That the conditions of local cooperation for the Memphis, Tenn., flood-control project, authorized by the Flood Control Act approved August 28, 1937, shall be so modified that the cost of providing pumping stations and outlet works for interior drainage shall be borne by the United States, all in accordance with plans to be approved by the Chief of Engineers."

AMENDMENT OF SECOND LIBERTY BOND ACT—AMENDMENT

Mr. NORRIS submitted an amendment intended to be proposed by him to the bill (H. R. 5748) to amend the Second Liberty Bond Act, as amended, which was ordered to lie on the table and to be printed.

ADDITIONAL COPIES OF HEARINGS BEFORE COMMITTEE ON TERRITORIES AND INSULAR AFFAIRS—AMENDMENT OF PHILIPPINE INDEPENDENCE ACT

Mr. TYDINGS submitted the following resolution (S. Res. 140), which was referred to the Committee on Printing:

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Territories and Insular Affairs of the Senate, be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies of the hearings held before said committee during the current session on the bill (S. 1028) to amend an act entitled "An act to provide for the complete independence of the Philippine Islands; to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes."

MEMORIAL DAY ADDRESS BY SENATOR THOMAS OF OKLAHOMA

[Mr. LEE asked and obtained leave to have printed in the RECORD a Memorial Day address delivered by Senator THOMAS of Oklahoma, before the Second Division Association of the American Expeditionary Forces, at the Second Division Memorial, Washington, D. C., Tuesday, May 30, 1939, which appears in the Appendix.]

ADDRESS BY SENATOR PEPPER ON FOREIGN POLICY AND NEUTRALITY

[Mr. MINTON asked and obtained leave to have printed in the RECORD an address by Senator PEPPER on Foreign Policy and Neutrality, delivered in the program of the American Forum of the Air on April 9, 1939, which appears in the Appendix.]

ADDRESS BY GOVERNOR HOEY, OF NORTH CAROLINA, BEFORE REGIONAL CONFERENCE OF DEMOCRATIC WOMEN

[Mr. HARRISON asked and obtained leave to have printed in the RECORD an address delivered by Gov. Clyde R. Hoey, of North Carolina, before the Regional Conference of Democratic Women from 11 Southeastern States, held in Winston-Salem, N. C., May 23, 1939, which appears in the Appendix.]

CITIZENSHIP INDUCTION CEREMONY IN WISCONSIN

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD addresses delivered by Chief Justice Marvin B. Rosenberry, of the Supreme Court of Wisconsin, and Dr. C. A. Dykstra, president of the University of Wisconsin, at the citizenship induction ceremony, held at Manitowoc, Wis., May 21, 1939, which appear in the Appendix.]

THE PUBLIC-SERVICE COMMISSION OF WISCONSIN

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an editorial from the Milwaukee Journal of April 29, 1939, entitled "To Kill the Public Service Commission," which appears in the Appendix.]

THE STRAIT OF PANAMA—ARTICLE BY PHILIPPE BUNAU-VARILLA

[Mr. LODGE asked and obtained leave to have printed in the RECORD an article by Philippe Bunau-Varilla, published in "Europe" for May 1938, entitled "The Strait of Panama," which appears in the Appendix.]

ORDER TO DISPENSE WITH CALL OF CALENDAR

The VICE PRESIDENT. The routine morning business having been concluded, the calendar, under rule VIII, is in order.

Mr. BARKLEY. I ask unanimous consent that the call of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ADDITIONAL LOCKS FOR PANAMA CANAL

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that the Senate resume the consideration of Senate bill 2229, the Panama Canal locks bill.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	Lodge	Russell
Andrews	Downey	Logan	Schwellenbach
Ashurst	Ellender	Lundeen	Sheppard
Austin	Frazier	McCarran	Shipstead
Barbour	George	McKellar	Slattery
Barkley	Gibson	McNary	Smathers
Bilbo	Green	Maloney	Smith
Bone	Guffey	Mead	Stewart
Borah	Gurney	Miller	Taft
Bulow	Hale	Minton	Thomas, Okla.
Burke	Harrison	Murray	Thomas, Utah
Byrd	Hatch	Neely	Townsend
Byrnes	Hayden	Norris	Truman
Capper	Herring	Nye	Tydings
Caraway	Holman	O'Mahoney	Vandenberg
Chavez	Hughes	Overton	Van Nuys
Clark, Idaho	Johnson, Calif.	Pepper	Wagner
Clark, Mo.	Johnson, Colo.	Pittman	Walsh
Connally	King	Radcliffe	Wheeler
Danaher	La Follette	Reed	White
Davis	Lee	Reynolds	Wiley

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS] is detained from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Michigan [Mr. BROWN], the Senator from Iowa [Mr. GILLETTE], the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LUCAS], and the Senator from Wyoming [Mr. SCHWARTZ] are detained on important public business.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

Mr. CLARK of Missouri. I renew my request for unanimous consent that the Senate resume the consideration of Senate bill 2229.

There being no objection, the Senate resumed the consideration of the bill (S. 2229) authorizing and providing for the construction of additional facilities on the Canal Zone for the purposes of more adequately providing for the defense of the Panama Canal and for increasing its capacity for the further needs of interoceanic shipping.

Mr. CLARK of Missouri. Mr. President, I desire to make a very simple statement. In the very brief explanation of this bill which I made on Monday last, I neglected to emphasize one fact as affording an additional reason for the construction of the proposed locks in the Panama Canal.

The capacity of the present locks has almost been reached—in fact, almost exceeded—by the size of the vessels which can be passed through the Panama Canal locks now existing. A couple of years ago, when the fleet went through the Panama Canal, the superstructure of the *Saratoga* knocked down an iron fence on the top of the Gatun Locks. The maximum capacity of the existing locks has already been reached both as to naval vessels and commercial vessels. The new locks to be constructed under the pending measure would be sufficiently large to afford passage to the largest naval vessels now in the contemplation of naval architects and to the largest commercial vessels that will probably be constructed in many years. That is an additional reason for the passage of the measure at this time.

Mr. LA FOLLETTE. Mr. President, I am not a member of the committee from which this bill was reported, and I have had no opportunity to consider the measure at all. As a matter of fact, it was only brought to my attention this morning as I was coming to the Chamber that the representative of the employees of the Canal, Mr. Hushing, is very much opposed to the broad powers which are given to the Governor of the Panama Canal with regard to the fixing of compensation and the making of contracts for carrying out the construction works which are provided for by this measure.

It goes without saying, therefore, that I have had no opportunity to prepare any amendments or to offer any specific suggestions relative to it, but in fairness to the employees I ask unanimous consent that the clerk may read from the desk a statement which Mr. Hushing handed to me as I was on my way to the Chamber.

Mr. CLARK of Missouri. Mr. President, of course I am not going to object to the reading of the statement, but I can say to the Senator from Wisconsin that I am certain that Mr. Hushing himself knew nothing more about this matter than did the Senator from Wisconsin or I until this morning. He told me himself about 11 o'clock that somebody in the Panama Canal Zone had suggested that there might be a question and that he himself had not been familiar with it, but that he was sending a letter to me, which I have not as yet received.

I have no objection to the reading of the letter, but it seems to me to come very belatedly when this bill has been made the unfinished business, has been on the calendar for some time, and had been before the committee of the Senate since the President's message last January. I have no objection, of course, to the reading of the letter.

Mr. LA FOLLETTE. Mr. President, this perhaps should be said: I may be in error, but, as I understand, the Governor of the Panama Canal declined to authorize a representative of the employees to come to the United States at this session of Congress, as had been the practice in the past. They may be guilty of resting on their rights in the matter; but the fact should be taken into consideration that the Panama Canal is a long way from Washington and that Mr. Hushing, who is also a legislative representative for the American Federation of Labor, has his hands pretty full in looking after matters which the federation considers to be important.

I am somewhat familiar with the situation that existed so far as the P. W. A. projects in the Canal Zone are concerned, because I had the honor and the privilege of offering on the floor of the Senate the amendment to title II of the Industrial Recovery Act which included the Panama Canal Zone and permitted projects in that zone to be considered for allocations and for carrying on construction work. I repeat, however, that I am not familiar with this particular measure and am not prepared to offer any specific amendment to it, because I learned of the matter only 5 or 10 minutes ago. In fairness to the employees of the Canal Zone, who are so far away from Washington, I think the statement of their designated representative here should be read to the Senate, in order that the Senate may know their views.

Mr. CLARK of Missouri. I certainly have no objection to that.

The VICE PRESIDENT. Without objection, the statement will be read.

The legislative clerk read as follows:

STATEMENT BY W. C. HUSHING IN BEHALF OF AMERICAN FEDERATION OF LABOR ON PANAMA CANAL BILL, S. 2229

By Executive order, the Governor and several of the department heads of the Canal must be Army or Navy officers.

The Canal is approximately 2,500 miles from New York City and the Governor and his department heads have almost unlimited power. They resent laws passed by Congress limiting their authority regarding wages and hours of labor.

The bill under consideration, on page 2, will permit them to disregard all laws covering such matters and hire anyone, whether citizen or alien. Being so far away from authority in a spot only 10 miles wide and 47 miles long, isolated between the two oceans and by impassable jungle—the only outlet being by air or water ships—the Canal and Panama Railroad officials are little kings and have abused their authority.

The Governor in past years has permitted the representative of the employees of the Canal and Panama Railroad to come to the United States, providing he and those he represented agreed to present to Congress only such matters as were approved by the Governor. This year the Governor would not permit the representative to come at all, and, as the Canal and Panama Railroad employees are affiliated to the American Federation of Labor through their central labor union, which is composed of 35 local unions, President Green designated the undersigned to represent them.

On May 29, when this bill was first considered by the Senate, the employees were negotiating with the Governor about the clause in the bill which permits him to hire, fire, and set wages and hours without regard to any laws, and such haste under such circumstances appears most suspicious.

The policy of Canal and Panama Railroad officials has been to employ as many alien Negro West Indians as possible. There are 3,000 citizens and 10,000 of these aliens employed on the zone at present.

By Executive order, these aliens cannot be paid over 40 cents per hour, or \$80 monthly, but their average pay is only 25 cents per

hour. They are employed because they are supposed to be cheaper than American-citizen labor, but this was disproven in 1935 by an official investigation by the Interior Department, as the N. R. A. had allotted about \$10,000,000 to the Army and Navy for construction work under P. W. A.

Some alien contractors secured a portion of the work and employed only alien labor, so that under these contracts no American citizen benefited. The American contractors did likewise. So many complaints were made that Secretary Ickes sent two investigators to the zone by plane—Messrs. Joyce and Wire—and they found about 35 violations of different rules and regulations, and the Assistant P. W. A. Administrator took the question up in part with the Secretary of War, as follows:

MARCH 27, 1935.

The honorable the SECRETARY OF WAR.

MY DEAR MR. SECRETARY: The Division of Investigations has recently made a complete inspection and labor survey of all projects in the Canal Zone financed with P. W. A. funds. The majority of the reports of the special agents indicate a satisfactory condition in all respects except one. It was noticed that contractors were employing native artisans at the rate of 50 cents per hour, whereas these men are doing work which is classified as skilled under the original instructions.

On December 8, 1933, Major General McKinley dispatched the attached radiogram to the Canal Zone, which was to establish wage rates. There are three classifications set out therein: (a) Skilled labor at \$1.20 per hour, (b) semiskilled labor at 50 cents per hour, and (c) common labor at 30 cents per hour. It is the opinion of this office after several conferences on this matter that it would be unfair to require contractors to abide by the \$1.20 rate for native artisans, in view of the fact that our investigators state that the normal productivity of these men is not more than 33 percent of that of a skilled American workman.

I would suggest that General McKinley's radiogram mentioned above be amended to read in paragraph (b) to include the words "native artisan" in the 50-cent bracket.

Sincerely yours,

PHILIP B. FLEMING,
Acting Deputy Administrator.

These aliens are employed as clerks, timekeepers, section men, railroad firemen and brakemen, baggage masters, policemen, watchmen, and all the building and mechanical trades.

These officials in the bill under consideration are attempting to enable themselves to extend this system and further add to the alien Negro problem they have already created on the Canal Zone. They wish to do the work which will be authorized in this bill with these aliens at low wages and long hours.

We have about 12,000,000 unemployed in the United States at present, and no one in Congress should be willing to approve a bill which will deny a portion of that 12,000,000 opportunity to do part of the work which will be provided by this bill.

The 1932 and 1936 platforms both carried a plank providing for the elimination of aliens as employees of the United States Government on the zone.

The sons of Americans who live on the zone cannot learn building trades, as they cannot be apprenticed to these alien Negroes. Canal officials are considering apprenticing young alien Negroes in these trades, however, and wish to make all these alien citizens, but this would require revision of the immigration laws.

The bill should be amended to provide:

- (1) For employment of American citizens only.
- (2) For application of the 8-hour law and the Thomas amendment to the Independent Offices Appropriation Act of 1934.
- (3) For payment of not less than the rates now paid by the Canal to employees on the gold roll.

Mr. McCARRAN. Mr. President, I send to the desk three amendments, which I offer in order, and ask that they be read by the clerk.

The VICE PRESIDENT. The first amendment offered by the Senator from Nevada will be stated.

The LEGISLATIVE CLERK. On page 2, line 10, after the word "necessary", it is proposed to insert a colon and the following:

Provided, That none of the funds herein authorized may be used for the purpose of paying the salary or wages of any alien directly or through any contractor or subcontractor indirectly.

Mr. McCARRAN. Mr. President, I had hoped that the Senator in charge of the bill would see fit to accept that amendment, because it provides, as I think should be agreed to here, that no Federal money appropriated from the funds of the taxpayers shall be paid to aliens directly, nor to them indirectly through any contractor or subcontractor. That is the object and aim and language of the amendment; and I ask the Senator from Missouri if he will not agree to it.

Mr. CLARK of Missouri. Mr. President, the Senator from Missouri certainly will not agree to any such amendment as that.

Let me say to the Senator from Nevada that this proposal was never even suggested until about 11 o'clock this morning. This measure was included in the President's original

message on the subject of preparedness. It was included in the discussion of the question of necessary national defense by the Secretary of War and the Chief of Staff before the Military Affairs Committee, which was made public throughout the United States. It was included in a document which was sent to the President of the Senate and referred to the Inter-oceanic Canals Committee as early as about the 1st of February. It was included in a document which was sent to the Speaker of the House and referred in that body to the Committee on Merchant Marine and Fisheries as early as about the 1st of February. Not until after 10 o'clock this morning did Mr. Hushing even pretend to have heard of the matter himself, although he knew this bill had been pending before the Committee on Inter-oceanic Canals, and he knew when it was reported and put on the calendar.

Mr. President, what this amendment represents is simply an attempt to lug into the discussion of this bill an entirely separate question which has been a matter of dispute between the Canal authorities and certain employees of the Canal for a great many years. The Canal authorities assert that they could not possibly have constructed the Panama Canal originally without the employment of a certain amount of alien labor, to wit, men who were imported for the purpose of doing the heavy work on the Canal which Americans were unable or unwilling to do.

Mr. McNARY. Mr. President—

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. In just a moment. The Canal authorities still maintain that they cannot operate the Panama Canal without the employment of a certain amount of such labor.

Mr. President, that presents a question which is a proper question for the consideration of the Congress, but it is a question which has nothing to do with the authorization of the construction of these vitally necessary locks and with giving the Canal Zone authorities an opportunity to carry out the purposes of the act.

I am glad now to yield to the Senator from Kentucky.

Mr. LOGAN. Mr. President, the Senator has very well answered the question before I ask it; but it is true, as I understand, that the aliens there are persons who have been living there since the United States acquired that strip of land.

As I recall the testimony before the committee, it would be impossible to do the work contemplated if this amendment should be agreed to because it is not possible to take men from the United States into that climate to do heavy work—hard work. Nor would they go for the wages which are paid. So it seems to me that if the amendment should be agreed to, and if the statements made by the Army representatives who have appeared before the Military Affairs Committee have been true, it would be just as well not to pass the bill if the amendment were added to it.

Mr. CLARK of Missouri. I think undoubtedly that is true. Let me say further, in answer to the Senator from Kentucky and the Senator from Nevada, that this matter has just been presented, within the hour, after the bill had been made the unfinished business. I would certainly not feel justified in accepting such an amendment. But the bill probably will not be before the House for consideration for some little time. Mr. Hushing and his associates will have ample opportunity, undoubtedly, to present the matter in the House. If the amendments should be inserted in the House the Senate would have further opportunity to consider them, either by concurring in the House amendments or by sending the bill to conference. On the other hand, if we now adopt amendments which have never been considered until this moment, about which no Member of this body had knowledge until this morning, we preclude ourselves from any opportunity of considering them.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. If I understand the situation in the Panama Canal Zone, there are not now available American laborers to do this work, so that they would have to be taken from the United States to the Canal Zone. Is that a fact?

Mr. CLARK of Missouri. Not only is that true, but it has always been the testimony of the Canal authorities and the War Department authorities that the work is of a class which American labor cannot be induced to do; that American labor is neither willing nor able to perform that sort of work in the Tropics. I should say, in all fairness, that that is disputed by some of these organizations; but that has been the testimony.

Mr. BARKLEY. The question I ask is, even if Americans are willing to do the work, they are not on the Canal Zone now available to do it?

Mr. CLARK of Missouri. That is entirely true.

Mr. BARKLEY. So that if they were willing to do it, they would have to be taken from the United States into the Tropics and, of course, used for this heavy work, which, I have understood, when the Canal was being built originally, had to be performed by men who were inured to the climate; and the same situation exists now, I assume. So that if there is no American labor in the Canal Zone now available for this sort of work, and we had to take people from the United States to the Canal Zone, how long would it take them to become so acclimated that they would be enabled to perform that character of work?

Mr. CLARK of Missouri. We not only would have to take them down there but we would have to make arrangements, which are not presently made, to house them. In other words, it would certainly delay the initiation of the construction work for a very material period.

Mr. BARKLEY. If I understand the situation in the Canal Zone, all the Americans there are either employed on the Canal in some capacity or are in private business; there is no large amount of unemployment among Americans in the Canal Zone.

Mr. CLARK of Missouri. There is no private business, even, in the Canal Zone. Everyone who lives in the Canal Zone lives in a house owned by the United States Government, and the only private businesses which are permitted in the Canal Zone are a few oil stations, for convenience in the refueling of ships.

Mr. BARKLEY. There are other Americans, who live in Panama City, who carry on private business; but I do not think they live in the Canal Zone itself.

Mr. CLARK of Missouri. That is true.

Mr. BARKLEY. Certainly not in Government houses.

Mr. CLARK of Missouri. Does the Senator from Oregon desire to interrupt?

Mr. McNARY. The Senator having the bill in charge makes a statement which is wholly in conflict with the rule, that this measure would not be the proper place for the insertion of an amendment which would involve the question of the wage scale. The amendment could not be presented in connection with an appropriation bill; that would be a violation of the rule. If in the work contemplated we are to protect American labor as against foreign competitive labor, it must be done in connection with the bill before us, or it will not be done at all. The Senator argues that we should not do it in connection with the pending bill, which is only an authorization bill, but that we should wait for some other bill.

Mr. CLARK of Missouri. I made no such argument at all.

Mr. McNARY. The Senator said it should come in connection with some other bill.

Mr. CLARK of Missouri. The Senator completely misunderstood what I said, because I made no such argument as that he has charged to me.

Mr. McNARY. Then what is the objection to the amendment?

Mr. CLARK of Missouri. Because it is a matter which has not been considered by any member of the Senate, and I would much prefer to see the bill defeated than to see a number of amendments attached to it which had not been considered by anyone, even by Mr. Hushing, who proposed the amendments, until this morning.

Mr. McNARY. Mr. President, anyone who has traveled through the Canal going from east to west, as frequently I have done, would be shocked at the number of aliens, from every nation in the world, who are receiving Federal money out of our Treasury for work on which American citizens are denied employment. I am not interested in what the Navy or Army representatives say; I know the practical situation, that there is work in the Canal Zone, in a climate which is agreeable to American labor, which should be performed by American citizens at American wages. The letter submitted a moment ago by the Senator from Wisconsin, from one representing the American Federation of Labor, shows clearly that the average wage in the zone is 25 cents an hour, in what I regard as a delightful climate. This measure relates to a great American project, involving commerce and national defense. If there is any character of government project in the world on which the American wage scale should be paid, it is a project which involves the national defense.

I am really surprised that the able Senator from Missouri would not accept the amendment and let it go to conference. It is not a question which requires study. Experts are not needed to testify in regard to the matter. A mere statement of the question is sufficient: Do we want to pay the American wage upon American construction in American territory, or do we want to hire aliens who are willing to work for less than a living wage in that country, and pay their wages out of the Treasury of the United States?

What expert do we need to testify in a matter of that kind? What hearings are necessary? Is it not a matter which is self-evident? If there is any bill in which such amendment should be incorporated, this is the only bill which would permit that sort of amendment under the rule. I repeat, the contention that this is not the proper measure for the insertion of the amendment is not a defense. The fact that no hearings could have been had can be urged against the amendment. I appeal to the Senator to accept the amendment, let the House act on it, and then, if necessary, take it to conference.

Mr. CLARK of Missouri. This is not a question of sending the bill to conference. The bill has not been acted on in the Senate.

Mr. McNARY. Let the question be submitted to the House, and if it comes back, submit it to a conference.

Mr. CLARK of Missouri. The Senator from Oregon has been in the Senate for a long time. He says it shocks the conscience of anyone who goes through the Panama Canal—and I know he is very familiar with the conditions—to see aliens working there. If he were so shocked, why has he never introduced a measure in this body to prohibit the employment of those aliens? Why has he sat until this bill is reported and made the unfinished business—a bill involving the national defense—and then rise and announce that he has been shocked in passing through the Panama Canal by seeing some aliens, who built the Canal themselves, employed in the Panama Canal Zone?

Mr. President, there is a good deal of "bunk" and demagoguery in a question such as this. It is very easy to undertake to make a play at the eleventh hour and fifty-ninth minute for an amendment which the Senate has not considered and no one else has considered, involving an entirely distinct question which has nothing to do with the measure before us—a bill which ought to be passed and ought to be passed as soon as possible.

As I have said, so far as I am concerned, if the Senate desires to have considered in connection with this measure the question as to all those alien employees who the Canal authorities say are necessary for the operation of the Canal and who, they say, were absolutely and imperatively necessary to the actual construction of the Canal, then the bill should be recommitted to the Committee on Inter-oceanic Canals with instructions to consider that question in connection with the bill. I do not think any ill-considered amendment should be injected into the measure at this time.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Connecticut.

Mr. DANAHER. I invite the attention of the Senator from Missouri to page 2, lines 10 and 11, with reference to compensation. Does it not appear, from a reading of that language, that there is no limitation upon the Governor paying \$25 an hour if he chooses so to do?

Mr. CLARK of Missouri. Of course, that is correct, and, of course, it is also correct that we have passed many construction bills through Congress authorizing various administrators to fix rates and make contracts, in essence, without reference to the civil service, and I dare say that this is the first one of such measures which have been before the Congress in connection with which such a provision was actually in the interest of economy.

As I stated a while ago, there is a good deal of work in connection with the construction of great projects of this sort, in a tropical country, for which Americans are not suited or able or willing to perform. To undertake to write into the proposed law a provision for the maintenance of an American wage scale in a tropical country, in which much of the work must necessarily be done by a lower class of labor, is simply to undertake to make the cost of this necessary construction so staggering that no Member of the Congress would be justified in voting for it.

Mr. DANAHER. Mr. President, will the Senator yield again?

Mr. CLARK of Missouri. I yield further.

Mr. DANAHER. Does it not appear to the Senator, then, that if we are to give untrammelled discretion to the Governor of the Panama Canal Zone, we should fix some standards with reference to the expenditure of Federal moneys by way of compensation?

Mr. CLARK of Missouri. Mr. President, I undertake to say that if the Congress, at the time of the original construction of the Panama Canal, a gigantic task, of which every American is very proud, had undertaken to restrict General Goethals in his employment of the labor at hand, the labor it might have been possible for him to use, and to restrict him as to the wages to be paid, the Canal never would have been constructed.

Mr. McCARRAN rose.

Mr. CLARK of Missouri. Mr. President, I yield to the Senator from Nevada.

Mr. McCARRAN. I wish to have the floor when the Senator shall have concluded.

Mr. CHAVEZ. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from New Mexico?

Mr. CLARK of Missouri. I yield.

Mr. CHAVEZ. Mr. President, I wish to ask the Senator from Missouri a question which is foreign to the discussion now taking place. I am obliged to leave the Senate Chamber for a few minutes, and therefore I should like to ask the Senator about a particular matter contained in the report of the committee. On page 4 of the report is a small item with reference to the Tehuantepec Canal. The report states that there are no existing treaties permitting the construction of that particular project. Can the Senator from Missouri tell us whether or not any efforts have been made by authorized officials of the United States Government to enter into any kind of a treaty with the Republic of Mexico for the purpose of constructing the Tehuantepec Canal?

Mr. CLARK of Missouri. Mr. President, so far as I know, there have not been. In fact, I am quite certain that there have not been any. The paragraph to which the Senator referred was quoted in the Senate report from the House report, because the House committee has held hearings on that subject. However, it was the view of the Senate committee, and I think of the House committee as well, that the building of the new locks in the Panama Canal was not in opposition to the construction of any other canal the Government might later see fit to construct, but the building of the new locks was necessary for the purpose of implementing and facilitating the passage through the Panama Canal of the large new vessels.

Mr. CHAVEZ. I may state to the Senator from Missouri that I am in accord with the bill; I am for it; but when we are discussing the Nicaraguan Canal and any other canal south of the United States it seems to me that the possibilities of the Tehuantepec Canal should not be neglected. The Isthmus of Tehuantepec is a comparatively short distance away from United States naval stations on the Pacific and the Atlantic. It is easily accessible. It provides a short route. It seems to me the American authorities should do something to bring about an understanding with the Republic of Mexico with reference to the construction of a canal at that point.

Mr. CLARK of Missouri. The bill was reported from the Inter-oceanic Canals Committee without any prejudice whatever to the construction of any other isthmian canal which might later be considered necessary or desirable, but we felt that in view of the much greater speed with which the additional Panama Canal locks could be constructed, in view of the actual physical necessities which have already developed and are rapidly developing because of the construction of larger ships, and in view of the importance of protecting the investment we already have in Panama, the building of additional locks in the Panama Canal should be proceeded with at this time.

Mr. CHAVEZ. I believe the bill is entirely proper. I think that what it provides should be done in view of the investment we have made in Panama, and in view of the actual facts; nevertheless, I feel that if we are to have some other canal, the Tehuantepec route, which is only a comparatively few miles away either from San Diego or stations on the Gulf of Mexico, should be considered, on account of its proximity to the confines of the United States.

Mr. CLARK of Missouri. Mr. President, I express no opinion whatever about that, because I am not familiar with it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. TAFT. If I correctly understand, the present Canal locks are not large enough to accommodate the battleships which have now been authorized?

Mr. CLARK of Missouri. Before the Senator from Ohio came into the Chamber I stated what I understood to be the fact, that a couple of years ago, when the fleet went through the Panama Canal, the superstructure of the aircraft carrier *Saratoga* knocked down an iron fence on the top of the Gatun locks. The information which I have received on that subject, and the discussion which took place before the House committee, would indicate that the vessels which will be constructed in the comparatively near future may have great difficulty in passing through the locks.

Mr. TAFT. I understand from the testimony before the House committee that our ships now building would make a tighter fit, but there is no statement that any ships now building could not go through the present locks of the Panama Canal.

Mr. CLARK of Missouri. Mr. President, the statement has repeatedly been made, which is a matter of common sense, that in view of the rate of progression in the increase of the size of ships, the time will very soon be reached when the present lock facilities in the Panama Canal will be inadequate.

Mr. TAFT. It seems to me to be doubtful whether we are going to build any larger ships than have already been authorized. They seem to be the maximum.

Mr. CLARK of Missouri. The same thing seemed to be true years ago, when smaller ships were built. When I was a little boy it seemed that the superships which were then being built would never be exceeded in size. Nevertheless, we go on from time to time building larger ships, and even this year naval experts appearing before the committees of the Congress have predicted larger and larger ships than have yet been contemplated.

Mr. TAFT. Is the real purpose of building additional Canal locks to have an extra lock in case the present ones are destroyed?

Mr. CLARK of Missouri. That is unquestionably true, Mr. President. It is also the purpose, in building additional locks, to build larger locks, locks which will be adequate

for taking care of either naval or commercial vessels which may be constructed in the comparatively near future.

Mr. TAFT. I do not quite understand, however, why, if one set of locks could be destroyed by air attack, it would not be possible that another set of locks 5 miles away could also be destroyed by air from the same air base, if it were near enough to the Canal so that airships from it could reach the Canal.

Mr. CLARK of Missouri. It might be entirely true that if one set of locks in the Panama Canal were destroyed another set of locks in the Nicaragua Canal, 400 miles away, might also be destroyed.

Mr. TAFT. Not from the same air base.

Mr. CLARK of Missouri. It is entirely probable, Mr. President, and it has been so testified by our leading air experts.

Mr. TAFT. I have been rather surprised in reading the House hearings that the Navy does not seem to be tremendously interested in where the canal should be built, or in urging a site. The short report of the committee says the Navy thinks it desirable to build an extra canal. However, the report contains simply one letter from Admiral Leahy on the subject. The matter did not go to the Naval Affairs Committee, did it?

Mr. CLARK of Missouri. No; it did not. The Committee on Inter-oceanic Canals is the committee which considered it in the Senate.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. MINTON. Is it not true that the experts take the view that there is not so much danger of the destruction of the Canal by an attack from the air; they think they can handle that situation; but danger lies in that some vessel belonging to a power which is unfriendly to the United States, and in trouble with the United States, in passing through the Canal might drop a bomb in the lock and blow it up, sabotage it, whereas if we had an auxiliary canal, of course only naval vessels would be passed through it, and not commercial vessels, and therefore the authorities would not have to be on the lookout for the laying of an "egg" in the Canal, the dropping of a bomb which might destroy it.

Mr. CLARK of Missouri. That is true.

Mr. President, I will say that extraordinary efforts have already been made by the proper officials to afford the fullest protection possible against sabotage to the existing locks. That is the great fear and the great danger to the Panama Canal, and therefore necessarily to our whole national defense, that there might be sabotage.

It is contemplated under this bill that a new set of locks shall be constructed at a distance of several miles from existing locks, which in any time of stress or of prospective emergency would be reserved exclusively for the use of our naval vessels and other public vessels of the United States, and thus reduce to the absolute minimum any danger of sabotage.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. CONNALLY. The Senator means that on the Canal, farther up somewhere, there would be another set of locks?

Mr. CLARK of Missouri. No; I meant to say there would be an alternative set of locks, roughly, parallel with the present set of locks, removed to the distance of several miles, which would be available through the same canal by a system of bypasses. Our engineers have made a survey, and, by the way, have worked on it for several years.

Mr. CONNALLY. Does not the Senator believe that ultimately we ought to build the Nicaragua Canal?

Mr. CLARK of Missouri. Mr. President, it is entirely possible that that may be necessary at some future time. The report of the committee was specifically without prejudice to the Nicaragua Canal. It is to be remembered, however, that at the present time the Nicaragua Canal would, in all probability, cost, at present estimates, one and one-half billion dollars; and if such an amendment as that proposed by the Senator from Nevada were adopted, it would probably cost three or four billion dollars. The Nicaragua Canal would

have a length of about 140 miles, as against about 50 miles for the Panama Canal. I think the engineering problems in connection with the Nicaragua Canal remain to be worked out, whereas those in connection with the Panama Canal have already been worked out.

Mr. CONNALLY. The Nicaragua Canal would be a sea-level canal, would it not?

Mr. CLARK of Missouri. It would not be a sea-level canal, I will say to the Senator from Texas, but it could probably be constructed with only two locks, which would be tidal locks. The Nicaragua Canal route is some 60 feet above sea level. So it would not be a sea-level canal, but probably could be constructed with only two sets of locks, one at each end, which would be tidal locks, due to the difference in tides in the Pacific and the Atlantic Oceans.

Mr. CONNALLY. It seems to me that with the necessity for maintaining a fleet in the Atlantic and another fleet in the Pacific we should either have two great fleets or else have adequate transit facilities from one ocean to the other, and I personally think we ought to have two canals.

Mr. CLARK of Missouri. Mr. President, this bill, as I say, has been reported without antagonism to the Nicaragua route, because we felt that, irrespective of anything else, the passage of the bill is necessary at the present time.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. Assuming that the Nicaragua Canal is needed and will be built, we are still going to use the Panama Canal, and we ought to increase its facilities sufficiently to make it available for all sorts of ocean transportation.

The Senator from Missouri commented a while ago on the increase in the size of our naval vessels. Anyone who has been through the Panama Canal on a ship wonders why it was not made bigger to begin with. I went through there once on a commercial ship, and there was not more than 6 inches between either side of the ship and the sides of the canal. We are bound to know that in the future ships are going to be larger and larger, whether they are war vessels or whether they are commercial ships, and it seems to me that, regardless of whether we ever build the Nicaragua Canal or any other canal—but assuming that we will—yet we ought to make the Panama Canal, as long as we have it, as useful as possible, and also provide against contingencies that might arise in the future which would militate against its use at all, either for military or for commercial purposes.

Mr. CLARK of Missouri. Mr. President, as I stated a while ago, I think the additional facilities provided for by the bill are necessary merely as a matter of protecting our own commercial investment in the Panama Canal, if nothing else.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. NORRIS. I should like to invite the Senator's attention to the pending amendment, offered by the Senator from Nevada [Mr. McCARRAN]. We shall have to dispose of the amendment before we decide whether or not we shall pass the bill.

I should be very much impressed by the amendment offered by the Senator from Nevada if I thought it could in all reasonableness be applied to the bill. I am not a competent witness. I do not claim to have knowledge, except as an ordinary observer watching the Canal when it was being constructed and passing through the Canal. I have in mind the definite idea that when we constructed the Panama Canal we employed a great amount of the kind of labor which the amendment would prohibit. We necessarily did so. As I understand, the climatic conditions are such that unless an American were acclimated to the climate it would be impossible for him to be a laborer on the Canal.

I favor the principle of the amendment. If I am wrong, those who know more about the subject than I do will certainly be able to give us the correct information. My present understanding is that it would be a practical impossibility to avoid employing many native laborers who are acclimated, and who live in the climate which prevails at the Panama Canal.

There is one other thing included in the amendment about which I wish to inquire. I would prefer—I think we all would—that no aliens be employed in the proposed construction. When we passed the Panama Canal Act I do not believe we included such a provision in it. If we are to be arbitrary and say, as I understand the amendment provides, that no one except citizens of the United States shall be employed, we might prevent the employment of some experts who are foreigners, and who could not be obtained in this country. I have in mind some other Government operations in which a few foreigners have been employed. They were particularly qualified to fill certain technical positions. I should like to exclude aliens. I think the pending amendment would do so.

If the Senator from Nevada or any other Senator can satisfy my mind upon the two questions I have propounded, I should like to have the information, because I believe in the fundamental principle involved in the Senator's amendment, and I should like to see it put into the law if it is applicable. However, it is useless for us to close our eyes to the fact—if it be a fact—that American labor, especially common labor, could not be employed to do much of the work.

Mr. CLARK of Missouri. Mr. President, for the first time I have had the opportunity of looking at the amendment. It reads:

Provided, That none of the funds herein authorized may be used for the purpose of paying the salary or wages of any alien directly or through any contractor or subcontractor indirectly.

I do not believe a single Member of this body or anyone else who has given study to the matter and who has listened to any of the suggestions or advice of the men who are most familiar both with the construction of the Panama Canal and its maintenance since that time would fail to be convinced that the adoption of the amendment would absolutely prevent the construction of the additional locks in Panama, or at least would delay their construction for a very considerable period of time until American labor could be assembled to go down to Panama and become acclimated, and until quarters could be provided in the Panama Canal Zone for maintaining them.

I think everyone who is familiar with the history of the construction of the Panama Canal will agree that the original construction of the Canal would have been absolutely impossible under any such amendment as the one before us; although, of course, we all recognize that health conditions in the Panama Canal Zone have vastly improved since the American occupation of the Panama Canal Zone. I think it is the unanimous opinion of the officials who are most familiar with the problem that to say that only native American labor may be employed in the Panama Canal Zone, or in the possible Nicaragua canal zone, or in any other tropical country, is simply to make impossible the construction of such a project.

Some of the so-called alien laborers on the Panama Canal are the sons of the men who constructed the Panama Canal. Some of them are the men who themselves constructed the Panama Canal. They are not citizens, nor are their sons, because they are prohibited by law from becoming citizens. However, they have been in the Panama Canal Zone and have done the heavy work of the Panama Canal for all these years; and either it would be impossible to construct the locks or great delay would occur in the construction by reason of the importation from the United States of labor which is willing or able to do the heavy work involved in constructing the locks, and by reason of the necessity of building quarters for the laborers and waiting for their acclimatization so that they would not all die like flies.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Connecticut.

Mr. DANAHER. I should like to ask the Senator from Missouri a question. Was not the Panama Canal built by the Army engineers?

Mr. CLARK of Missouri. General Goethals finally succeeded to the command of that project. Many American

Army engineers, civilian engineers, and Americans, who were not engineers at all, were engaged in that construction, and many of them died like flies. A short time ago I introduced and reported a bill affording some consideration in the matter of retirement for Americans who were engaged in that construction.

Thus, Mr. President, the universal testimony in connection with the construction of the Canal, the testimony of General Goethals in his various reports, the testimony of the Army engineers, and of everyone else, is that the Canal never could have been constructed without alien labor, which was imported. Most of the labor was not born in Panama or the vicinity of Panama. It was imported from Jamaica and some of the other British islands for the purpose of doing the work which Americans could not or would not do.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. Has the Senator any information as to the number of men who would be employed in the construction of the proposed locks?

Mr. CLARK of Missouri. Mr. President, I do not believe that information appears in the report of the Secretary of War.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. HAYDEN. At the time of maximum employment during the period of construction under General Goethals, 40,000 men were employed in the Canal Zone. The work was divided into three divisions, the Atlantic, the Central, and the Pacific divisions. As the Senator will remember, one division was under the Army, one under naval engineers, and one under civilian engineers. The maximum number of men employed was about 40,000.

Mr. BARKLEY. How long a time would be required to complete the locks?

Mr. CLARK of Missouri. It is estimated that the work could be done in 7 years, provided the bill were passed in its present form, without the amendment suggested, and provided the present season could be utilized.

Mr. BARKLEY. I assume that the construction of a project of that size, covering a period of 7 years, would require several thousand men, at least at the period of maximum employment. Has the Senator any information in that connection?

Mr. CLARK of Missouri. I have not the figures on that subject; but unquestionably we may assume that in the heavy work of constructing the locks and the bypasses necessary to make the locks available, the labor of a large number of men would be involved. I will say to the Senator that it is contemplated that after the locks are constructed they can be operated with practically no increase in the present Canal personnel.

Mr. BARKLEY. I assume that the construction of the additional locks would not require as many men at any one time as did the original construction of the Canal.

Mr. CLARK of Missouri. That is unquestionably true.

Mr. HAYDEN. I am sure that is a safe assumption, particularly because of the technical improvements over the years in moving earth and rock.

Mr. BARKLEY. The amount of money proposed to be authorized for the locks is not far from the original cost of the Canal. The amount proposed to be authorized is \$277,000,000. I think the Canal cost about \$350,000,000.

Mr. CLARK of Missouri. Mr. President, the \$277,000,000 estimated would, of course, be a very small portion of the cost of the Canal if the amendment of the Senator from Nevada were agreed to.

Mr. BARKLEY. Independently of that, what I am trying to ascertain is the number of men required to be sent to Panama from this country if a sufficient number are employed to do the work.

Mr. REED. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Kansas.

Mr. REED. I wish to say to the Senator from Missouri that I agree with the statement he has made as to the inadvisability of hamstringing construction in a tropical country by what seems to be an impossible amendment to his bill. The Senator from Nebraska [Mr. NORRIS] stated my thoughts upon the subject. In a tropical country men engaged in hard labor must be acclimated before they can render any useful service. I expect to vote against the amendment.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. McNARY. For what reason does the Senator make that statement? My information is quite the contrary. I know from personal experience that many Americans have gone there when work was available, and have gotten along successfully. They did not need to be acclimated. The change in temperature is not such that men must adapt themselves beforehand. In my judgment, all that is necessary in this case is to give American labor an opportunity to work, and it will go there and perform the work. That is all we are asking.

Mr. REED. I take it that the Senator from Oregon disagrees with the views I have stated, but I still hold to those views, with all due respect to the Senator from Oregon. However, I desired to leave with the Senator from Missouri in charge of the bill a thought which I will now express. I am troubled, after the disposition of this amendment, with the wide open authority given to one man who may be Governor of the Panama Canal to spend \$277,000,000 absolutely upon his own judgment, without any approval or check or rein on the part of anyone else. Because I am due to attend some important committee meetings this afternoon and possibly I might be absent when this question comes up, I appeal to the Senator from Missouri to give consideration to the latter part of his bill which begins on page 2, line 8, with the words:

For the purposes aforesaid, the Governor of the Panama Canal is authorized to employ such persons as he may deem necessary—

To that I have no objection—

and to fix their compensation without regard to any other law affecting such compensation.

I think in that respect there might fairly be a provision requiring approval by the Secretary of War or the Board of Engineers, and more especially—

Mr. CLARK of Missouri. Mr. President, I would have no objection to such an amendment as that. I will say to the Senator from Kansas that I certainly have as little disposition to grant any more authority to any Government official or bureau or set of bureaus as has any man in this body or any place else. I will say to the Senator from Kansas that I have no pride of authorship whatever in this bill, because I did not have anything to do with drafting it; it was drafted by the War Department and sent here, and I introduced it as it came here. It was the theory of the War Department and the theory of the committee in reporting the bill that in setting the pegs for a work of this magnitude it was necessary to give very considerable latitude to the responsible official who, of course, is a brigadier general of the Regular Army, operating under the direction of the Secretary of War in every particular, in making his plans and setting his pegs so as to facilitate this work as much as possible.

Mr. HAYDEN. Mr. President, if the Senator from Kansas will permit me, I can state that there is a very sound historic background for this language. We set out to build the Panama Canal under a commission—the Panama Canal Commission—located here in the United States, and from time to time different engineers were appointed to build the Canal. I talked with General Goethals himself in the midst of the construction in Panama, and complimented him upon his work. The general said, "It is not because I am a great engineer; there have been more able engineers engaged in the construction of the Panama Canal, better engineers than I am; but I have authority to act, which they did not have." The earlier engineers could hardly build a lean-to on a house on the Canal Zone without coming back to get authority from

the Commission here in the United States. Conditions became so bad and the difficulties and delays so numerous that Theodore Roosevelt took charge, and said, "I will put somebody in charge there who can 'run the show,' and I will give him full authority." So he called in General Goethals, after eminent engineers, such as Mr. Stevens and others, had been hampered by restrictions, and he gave the general complete authority. General Goethals was the czar of the Canal Zone. He even regulated the private morals of the people. If they did not do right, they had to get off the Canal Zone. With such arbitrary authority, as it might be called, he constructed the Panama Canal, and it could not have been constructed in any other way.

Mr. REED. May I say to the Senator from Arizona that czars and dictators are perhaps less popular now than they were when the Panama Canal was originally built?

Mr. HAYDEN. Mr. President, in answer to the Senator's observation, let me say that the wisest thing that Woodrow Wilson did during the World War was to put one man in command of the American Expeditionary Forces. He told General Pershing, "You will 'run the show,' and if you cannot run it, I will get someone else who can; but so long as you are there you are going to be backed up." That is exactly what Theodore Roosevelt said to General Goethals, "This is 'your show'; take it, run it, and you will not be hampered or restricted." It is the only way that a work of such magnitude can be conducted at a great distance from the United States. We cannot have a commission or some other authority acting at this end by cable, imposing regulations and restrictions. That is the reason why we find this language in the bill.

Mr. REED. Mr. President, I wish to proceed to the clause to which I find the most objection. I refer to the clause that authorizes the Governor of the Panama Canal—

To authorize the making of any contracts, continuing or otherwise, in advance of actual appropriations, aggregating not more than the total cost authorized herein.

We are not in an emergency so far as the commercial use of the Panama Canal is concerned. The reports all show, including the report of the distinguished Senator from Missouri on behalf of his own committee, that up to 1960 or 1970 the capacity of the Canal would be adequate for commercial purposes.

Mr. CLARK of Missouri. That is correct.

Mr. REED. I think it would be more satisfactory if the bill should contain a provision requiring the approval of contracts by the War Department, either by the Secretary of War or by the Board of Engineers, because there is no emergency that requires immediate construction. In fact, this bill provides that of the total cost of \$277,000,000 only \$15,000,000 are to be authorized for making a start. So I appeal to the Senator from Missouri, whose bill I desire to support, and to whom I am going to offer my assistance in keeping it in the best shape that it can be kept—I appeal to the Senator from Missouri and his committee in these circumstances, there being no emergency to give consideration to the suggestion, not to grant to the Governor of the Panama Canal the unlimited authority that was given to the great genius who constructed the Canal. We might not get another great genius, and, after all, ordinary precaution in business and ordinary precaution in governmental affairs, I think, certainly call for some restriction upon the unlimited authority granted by this bill.

Mr. CLARK of Missouri. Mr. President, I will say to the Senator from Kansas that, so far as I am concerned—and I think in this matter I am authorized to speak for the committee—I have no objection whatever to an amendment requiring the contracts made by the Governor of the Panama Canal to be approved by the Secretary of War. I say very frankly that I am willing to accept such an amendment because I do not think it in any material particular would change the bill itself. We have no communication, for instance, as a Congress at the present time from the Governor of the Panama Canal except through the Secretary of War; everything that he does comes to us through the Secretary of War. The drafting of this bill was made in the War

Department on the recommendation of the Governor of the Panama Canal. The report on construction in the Canal comes to us under cover of a letter from the Secretary of War, and the report of the Governor of the Canal. Therefore, I say that I have no objection whatever to requiring the approval of the Secretary of War; but I repeat I do not think it means anything.

Mr. WHEELER. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Montana if the Senator from Kansas has concluded.

Mr. REED. Mr. President, the Senator from Montana has agreed to let me conclude. I wish to thank the Senator from Missouri for his courtesy in permitting me to interrupt him.

Mr. CLARK of Missouri. I am glad to yield to the Senator from Kansas at any time on any measure.

Mr. REED. I desire to support the Senator in every way I can, but I think he ought to tie the authority for these tremendous expenditures up tighter than it is. He would make me much happier in supporting him if he would do that.

Mr. CLARK of Missouri. If the Senator from Kansas will draw such an amendment, so far as I am concerned, I will be glad to accept it.

I now yield to the Senator from Montana.

Mr. WHEELER. Mr. President, am I to understand that this bill came from the Commerce Committee?

Mr. CLARK of Missouri. It did not; it was considered and reported by the Committee on Inter-oceanic Canals, the committee specifically created by the Senate to have jurisdiction of such matters.

Mr. WHEELER. I must confess that I am perfectly amazed when I read the measure to find that the Senator from Missouri is advocating the passage of a bill giving such powers to any department as the pending bill gives to the Governor of the Panama Canal. I do not know of a piece of legislation we have passed, even in the palmy days of the present administration, that simply turned a matter over to one agency and said, "You can go ahead, spend \$277,000,000, you can spend it in any way you want to spend it as you may deem necessary; you may fix the compensation of those you employ in any way you want to fix it, and you can authorize the making of any contracts that you want to make in any way, shape, or form that you want to make them." I am sure if any other proposal for legislation came before the Senate with such lax and loose provisions that the Senator from Missouri would be standing upon the floor of the Senate denouncing it in unmeasured terms, much better than I could do. The Senator from Missouri would be saying, "Think of it! You are giving to a Governor dictatorial powers." I agree that in this bill we are giving to the Governor of the Panama Canal dictatorial powers.

Mr. CLARK of Missouri. If my friend from Montana had been in the Chamber, he would have heard the fact impressed a number of times—not once but on at least half a dozen occasions—by the Senator from Arizona [Mr. HAYDEN], by the Senator from Kentucky [Mr. LOGAN], and by myself, that in the construction of a canal in a tropical country several thousand miles from home it is necessary to confer unusual powers; and we have pointed out that the original Panama Canal never would have been constructed except by the decision of the Congress to repose very extensive powers in General Goethals, and practically make him the dictator of that construction.

Mr. WHEELER. Mr. President, I cannot agree with either the Senator from Arizona, the Senator from Missouri, or the Senator from Kentucky that in order to build these locks it is necessary to do what is proposed.

Mr. CLARK of Missouri. I will say to the Senator that that is our misfortune.

Mr. WHEELER. When the original Panama Canal was built we were dealing with an entirely different situation; but, thank goodness, we have a more enlightened population in this country today, and Panama is a more enlightened country now than it was then. I cannot conceive of any reason in the world why we should say to the Governor of the Panama Canal, "You may employ thousands of men

to build these extra locks and pay them any kind of wages you want to pay them. You may enter into any kind of contracts that you want to enter into." Knowing my good friend from Missouri as I do, I am perfectly amazed that he should stand on the floor of the Senate and say, "We want to give dictatorial power to some departmental head." The Senator wants to give those powers to the departmental head because he is living in Latin America, where there are dictators; but it seems to me that is quite a different problem. The Senator also wants to give the departmental head those powers because he is two or three thousand miles away from the United States. In my judgment, that is all the more reason why we should say that these contracts shall be approved before they become effective.

The Senator says the War Department drew up the legislation. That does not make the legislation any different than if Mr. Ickes had drawn it up, or if somebody else had drawn it up. Apparently the Senator takes the position that if somebody in the War Department draws up legislation it is all right, but if somebody in some other department draws it up it is all wrong. I cannot follow the Senator in that kind of legislation, because I think it is giving over dictatorial powers to one of the departments.

Mr. CLARK of Missouri. Mr. President, at the risk of fourth or fifth repetition I will say for the benefit of my friend from Montana, who has just arrived in the Chamber, what has been said here on several occasions before, both on Monday and today, that in the construction of a great works project in the Tropics a situation exists which is entirely different from anything that goes on in this country. I am as much opposed to dictatorial powers as anybody possibly can be. The Senator from Montana knows very well that I have no particular reverence for a bill drawn in the War Department, although I will say to the Senator from Montana that I certainly have as great respect for a bill drawn in the War Department as I have for a bill drawn at the whim of somebody at the Interstate Commerce Commission.

I am, of course, perfectly familiar with what the Senator from Montana is now doing. He is trying to get even for the fact that I opposed a couple of his bills last week; and that is perfectly all right. I take that in perfectly good part; but if the Senator from Montana had been here at the beginning of the session he would have heard it said several times, "On a project of this sort it is necessary to allow more discretion than on a project in the United States." Heaven knows that on projects in the United States we have certainly granted the widest and most discretionary powers to certain administrators, whose identity we did not even know, in offices which were not even created when we granted the extensive powers; and the Senator from Montana argued and voted for those bills.

Mr. WHEELER. The Senator said that if I had been here I would have heard his explanation, which he said he had made four or five times. Let me say for his particular benefit that the other day I did not have to explain merely four or five times the bill that I had but I had to explain it for the seventeenth or eighteenth time because the Senator from Missouri or some other Senator did not happen to be in the Chamber at the time I was explaining it.

Mr. CLARK of Missouri. I am glad to repeat my explanation when any Senator comes in.

Mr. CONNALLY rose.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Oregon.

Mr. McNARY. I have been here since the roll call, and I have not yet heard any explanation why we should give to the Governor of the Panama Canal arbitrary power in doing this great work. I have heard the able Senator from Missouri say the matter has been explained, but I have not heard the explanation. I have heard it dogmatically stated, "This must be done," but I have heard no reason for it. I am anxiously waiting for someone to explain and give a reason for the wide latitude that is given in this particular matter.

Mr. CLARK of Missouri. I very much regret that my explanation has not satisfied the Senator from Oregon. I think possibly if he had listened a little more attentively, he might have heard something that would have satisfied him. I tried to yield to him a moment ago, because he had been asking me to yield, but he was engaged in a private conversation. After waiting for a few minutes I yielded to another Senator.

I now yield to the Senator from Texas, who was on his feet a moment ago.

Mr. CONNALLY. Mr. President, I do not care to have the Senator yield now. I was only going to aid the Senator as he tried to repel the assault of the Senator from Montana, who was complaining about this wide authority.

Mr. CLARK of Missouri. I am glad to have the aid of the Senator from Texas.

Mr. CONNALLY. To give political power, political control over political questions is one thing. To give somebody a job to go out and dig a ditch is quite another thing. All that the Senator is really doing is to say to the engineers, or whoever is going to do this work, "Go down there and dig this ditch." He is not telling them how much dirt they shall put in each shovel when they take it out. He is not going to try to control at what hour they shall eat, or at what hour they shall sleep; but he is telling them to go down and dig this canal. That is a wholly different proposition from the exercise of political power.

I quite agree with the Senator from Montana. I recall that the Senator from Missouri was recently associated with the Senator from Montana in a memorable fight in the Senate over the exercise of a vast political power; and I agree with both of them. I think there is no parallel between digging a ditch and reforming the political institutions of our country. When we build a battleship, I presume we do not tell the Navy how many steps there shall be from one deck to another, or what size the guns shall be, or how thick the armor plate shall be. We tell them to build a battleship. If they had to run back up here every time they drove a rivet and say, "Mr. Congressman, how shall we do this?" we should never have any battleships, and we should not have many ditches either.

Mr. CLARK of Missouri. I thank the Senator from Texas.

Mr. ADAMS. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Colorado.

Mr. ADAMS. The Senator from Texas speaks about building a battleship. I will say to him that no battleship has ever been built without an authorization from the Committee on Appropriations. This measure provides that the appropriation for 1940 shall not exceed \$15,000,000; but it provides that the Governor of the Panama Canal may make a contract for \$277,000,000 without ever having the matter pass through the Committee on Appropriations. It is equivalent to making an immediate appropriation of \$277,000,000 to be expended by the Governor of the Panama Canal without ever having gone through the ordinary processes of appropriation.

Mr. CONNALLY. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Texas.

Mr. CONNALLY. I will say to the Senator from Colorado that I am not familiar with the general terms of the bill, and I am not advocating it. I was only prompted to interject some remarks on account of the very savage assault made on the Senator from Missouri by the Senator from Montana, one of his late comrades, one of the Roman legions that overwhelmed the Gauls.

Mr. ADAMS. I will say that if there is anybody who does not need assistance, it is the Senator from Missouri.

Mr. CONNALLY. I do not think he needed it, but I have such an affection for him that I wanted at least to be arrayed on his side.

Mr. ADAMS. I am not embarrassed like the Senator, because I was with the Senator from Missouri in his opposition to the recent measure.

LXXXIV—400

Mr. CONNALLY. So was the Senator from Texas. I have no objection to having this bill referred to the Committee on Appropriations if that is what the Senator from Colorado is irritated about.

Mr. ADAMS. I will say to the Senator from Missouri that the Senator from Colorado is not irritated. I am merely pointing out the situation that exists. I go right along with the Senator from Missouri most of the time.

Mr. CONNALLY. Mr. President, the Senator from Colorado is never quite so effective as when he is irritated. [Laughter.]

Mr. ADAMS. Then perhaps I had better become irritated; but both the Senator from Missouri and I believe in the maintenance of the proper functions of committees. The Senator has been very effective on that subject within the past week, so far as his statement was concerned.

Mr. CLARK of Missouri. I was not effective in obtaining any results from the Senate. I may have been effective in my observations, but they did not seem to bear very immediate results. The Senator from Montana simply overpowered me, and overpowered the Senate, and assumed the jurisdiction of several other committees.

Mr. ADAMS. I merely wanted to make that statement. I do think we ought, without the scrutiny of the Committee on Appropriations, to grant this authority. I say that with all due respect to the Senator from Arizona [Mr. HAYDEN]. I heard his explanation. We have not here an emergency of a character which justifies putting into the hands of one man, whose personality perhaps is entirely unknown to us today, the expenditure of this vast sum of money.

We get into the habit of talking of millions very easily; but \$277,000,000 is still a great deal of money.

Mr. CLARK of Missouri. I thoroughly agree with the Senator from Colorado in that observation.

Mr. ADAMS. And I personally think there should be some additional restriction, some provision, other than now exists.

Mr. MALONEY. Mr. President—

Mr. CLARK of Missouri. I will yield to the Senator from Connecticut in just a minute.

Let me say to my friend from Colorado that I certainly do not wish to grant to the Governor of the Panama Canal any more authority than is necessary. I do, however, say that unless we are willing to grant to the Governor of the Panama Canal enough authority to carry out the purposes of this act and to make it effective, it would be better to defeat the bill entirely and give over the idea of constructing the third set of locks at the Panama Canal. I certainly am not in favor of any such amendment as will probably double the cost of the estimates and make the project cost above \$500,000,000 instead of \$277,000,000, because the labor required to do this work certainly does not exist in the Panama Canal Zone at the present time.

I now yield to the Senator from Connecticut.

Mr. MALONEY. Mr. President, I am hopeful that the bill will not be defeated. It seems to me a tremendously important measure; but, in view of the fact that the language is disturbing to so many Senators, and because I am disturbed, too, and in view of the fact that the Senator from Missouri has expressed a generous willingness to see the proposal amended in certain particulars, I am wondering if he would not look with sympathy upon a suggestion that the bill be recommitted to his own committee for further study.

Mr. CLARK of Missouri. So far as I am concerned, I shall oppose the motion to recommit unless the Senate should agree to some such amendment as the one offered by the Senator from Nevada [Mr. McCARRAN], completely defeating and emasculating the purpose of the bill. If the amendment should be agreed to, I, myself, should move to recommit the bill; and if a disposition on the part of the Senate to include such an amendment is manifested, I shall oppose the bill, because I think it would defeat its purpose in any event, and would on any calculation double the proposed cost of construction.

Mr. MALONEY. Mr. President, will the Senator yield further?

Mr. CLARK of Missouri. I yield.

Mr. MALONEY. In view of what he has just said, I am seriously hopeful that the Senator from Missouri will sympathetically look upon a motion to recommit the bill. I am fearful that the bill may be destroyed by some amendment hurriedly offered in an effort to correct the bill, which seems to me to have been too hurriedly submitted to the Senate.

Sympathetic toward the aim of the Senator from Missouri to pass the bill in proper form, so soon as I can obtain the floor I will move to recommit the bill to the Committee on Inter-oceanic Canals.

Mr. CLARK of Missouri. Mr. President, I yield to the Senator from Connecticut for that purpose now, though I will oppose the motion. I do not see any necessity for prolonging the debate in the Senate if the bill is to be recommitted.

Mr. REED. Mr. President, I desire to endorse and approve what the Senator from Connecticut has stated. The junior Senator from Connecticut [Mr. DANAHER] has taken an interest in this matter, and I have just had a brief discussion with him in an attempt to draw an amendment to reach the end we desire to accomplish.

No one knows better than does the Senator from Missouri, the distinguished Senator in charge of the bill, the difficulty of trying to amend a bill of this importance on the floor. I hope the Senator from Missouri will look sympathetically on a motion to recommit, and will accept a recommitment of the bill to his committee. I assure him that when he brings the bill back, if any effort is made to insert the proposed labor amendment, I will help him, so far as I can, on the floor. But I do think there ought to be some limitation upon the authority given the Governor of the Canal Zone, and there is nobody so competent to write the proper language in the bill as the committee itself.

Mr. CLARK of Missouri. Mr. President, I yield to the Senator from Connecticut if he desires to present the motion.

Mr. MALONEY. I cannot make the motion until I have the floor.

Mr. CLARK of Missouri. I yield the floor to the Senator from Connecticut to make the motion.

Mr. MALONEY. Mr. President, because I do not desire to delay the Senate, and because I think nothing can be gained by a further debate on the bill in its present form, and because I think there has been a sufficient discussion to advise the Senators present of the seriousness of the enactment of the bill in its present form, I am about to make a motion that the bill be recommitted.

I should like to say, first, that I am in sympathy with the project involved in the bill. I should like to emphasize that the situation in Panama today considerably differs from the situation when the Panama Canal was built. The zone was malaria infested and dangerous to health. Over a long period there had been failures in attempts to dig a canal. The administration in power at that time, mindful of the failures and the deaths and the danger in the Canal Zone, realized that, if this tremendously important canal was to be constructed, dictatorial power had to be delegated.

The United States Government has corrected the conditions. There is no longer great danger to health. There is in my opinion an opportunity to employ a great many Americans in the Canal Zone now without danger to their health.

I think the committee is competent to draw a bill in keeping with the sentiments expressed on the floor of the Senate today by members of the Senate who desire to see the bill passed, but wish to see it perfected.

Without further delay, Mr. President, I move that Senate bill 2229 be recommitted to the Committee on Inter-oceanic Canals.

Mr. CLARK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Austin	Billbo	Bulow
Andrews	Barbour	Bone	Burke
Ashurst	Barkley	Borah	Byrd

Byrnes	Hale	Maloney	Shipstead
Capper	Harrison	Mead	Slattery
Caraway	Hatch	Miller	Smathers
Chavez	Hayden	Minton	Smith
Clark, Idaho	Herring	Murray	Stewart
Clark, Mo.	Holman	Neely	Taft
Connally	Hughes	Norris	Thomas, Okla.
Danaher	Johnson, Calif.	Nye	Thomas, Utah
Davis	Johnson, Colo.	O'Mahoney	Townsend
Donahey	King	Overton	Truman
Downey	La Follette	Pepper	Tydings
Ellender	Lee	Pittman	Vandenberg
Frazier	Lodge	Radcliffe	Van Nuys
George	Logan	Reed	Wagner
Gibson	Lundeen	Reynolds	Walsh
Green	McCarran	Russell	Wheeler
Guffey	McKellar	Schwellenbach	White
Gurney	McNary	Sheppard	Wiley

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. CLARK of Missouri. Mr. President, I desire to say just a few words about the motion of the Senator from Connecticut [Mr. MALONEY] to recommit the bill.

I have no personal interest whatever in the bill except that to my mind it is the most justifiable part of the President's whole program of national defense which was sent to the Congress at the beginning of the present session, denominated an emergency defense program. The measure under consideration was included in the recommendations accompanying the President's message. The general plan was set forth in more detail when the Secretary of War and the Chief of Staff first appeared before the Military Affairs Committee.

Mr. President, I am frank to say that I believe, and have always believed, that if the United States acts with any sense and any judgment we shall not be engaged in a war within the next few years. But I say that the protection of the Panama Canal and affording of additional facilities in the Panama Canal constitute perhaps the most justifiable and the most vitally necessary portion of the President's whole defense program.

If the Senate desires to delay that matter at the behest of someone outside the Senate who never presented any protest until after 11 o'clock today, that is the responsibility of the Senate. I shall oppose that action; and if the bill fails of passage at the present session of the Congress, I simply say that that is no responsibility of mine.

Mr. MALONEY. Mr. President, my interest in this proposal is exactly that of the Senator from Missouri. Because it is so important to the national defense I am anxious that the bill be considered at an early time and passed. However, because of the controversy which has arisen, because of the misunderstanding, and the possibility that the bill may be emasculated by amendments, because it is difficult to amend the bill on the floor in a few minutes, because I think there is room for much improvement in the bill, for it does grant dictatorial power to the Governor of the Panama Canal; because I think that the power might be more properly delegated, as the Senator from Missouri has himself indicated through his willingness to accept amendments to the bill and to bring action on it as quickly as we can, I hope that the motion to recommit will be adopted. I think the committee, without much delay, within a matter of a very few days, within a matter of a day, as a matter of fact, might bring the bill back with the changes which seem to me to be necessary. Under the bill in its present form, as was pointed out by the very able Senator from Colorado [Mr. ADAMS], the Governor of the Panama Canal is authorized to expend \$277,000,000 and completely to circumvent the Appropriations Committee.

I should like to point out that under the terms of the bill the Governor of the Panama Canal could fix wages at any figure suiting himself; he might pay peon wages to one group, if he so decided, and pay \$50,000 a year to one person if he so desired.

It seems to me to be a very great departure from the late practices of the Congress, and I am hopeful that the motion to recommit will prevail in order that we may pass a proper bill to provide for the performance of this very important work at an early time.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The question is on the motion of the Senator from Connecticut [Mr. MALONEY] to recommit the bill to the Committee on InterOceanic Canals with instructions. [Putting the question.] The Chair is in doubt.

Mr. CLARK of Missouri. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. SHIPSTEAD. I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if he were present he would vote as I shall vote. I am therefore at liberty to vote. I vote "yea."

Mr. HALE (after having voted in the affirmative). I have a general pair with the junior Senator from South Carolina [Mr. BYRNES]. I transfer that pair to the junior Senator from New Hampshire [Mr. TOBEY], and allow my vote to stand.

Mr. McNARY. I transfer my general pair with the Senator from Mississippi [Mr. HARRISON] to my colleague the junior Senator from Oregon [Mr. HOLMAN], and will vote. I vote "yea." My colleague [Mr. HOLMAN] would vote "yea" if present, but I am not advised how the Senator from Mississippi would vote.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Illinois [Mr. LUCAS]. He is absent, being confined to the hospital because of an operation.

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is absent because of illness. I am advised that if present and voting he would vote "yea."

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from Arizona [Mr. ASHURST], the Senator from South Carolina [Mr. BYRNES], the Senator from Mississippi [Mr. HARRISON], the Senator from New Mexico [Mr. HATCH], the Senator from Nevada [Mr. PITTMAN], the Senator from Missouri [Mr. TRUMAN], the Senator from New York [Mr. WAGNER], and the Senator from Massachusetts [Mr. WALSH] are attending committee meetings and, therefore, are unable to be here for the vote.

The Senator from Texas [Mr. SHEPPARD] is detained on official business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. HERRING], the Senator from Delaware [Mr. HUGHES], the Senator from Montana [Mr. MURRAY], the Senator from Louisiana [Mr. OVERTON], and the Senator from Oklahoma [Mr. THOMAS] are detained on departmental business.

The Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Michigan [Mr. BROWN], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. GILLETTE], the Senator from Illinois [Mr. LUCAS], the Senator from Alabama [Mr. HILL], and the Senator from Wyoming [Mr. SCHWARTZ] are absent on important public business.

The Senator from West Virginia [Mr. HOLT] is addressing the East Fairmont High School Alumni Association today, and is therefore necessarily detained.

The result was announced—yeas 50, nays 16, as follows:

YEAS—50

Adams	Downey	McNary	Slattery
Austin	Frazier	Maloney	Smathers
Barbour	George	Mead	Taft
Bilbo	Green	Neely	Thomas, Utah
Bone	Gurney	Norris	Townsend
Borah	Hale	Nye	Tydings
Byrd	Johnson, Colo.	O'Mahoney	Vandenberg
Capper	La Follette	Pepper	Van Nuys
Caraway	Lee	Radcliffe	Wheeler
Clark, Idaho	Lodge	Reed	White
Connally	Lundeen	Reynolds	Wiley
Danaher	McCarran	Russell	
Davis	McKellar	Shipstead	

NAYS—16

Barkley	Ellender	Johnson, Calif.	Minton
Bulow	Gibson	King	Schwellenbach
Burke	Guffey	Logan	Smith
Clark, Mo.	Hayden	Miller	Stewart

NOT VOTING—30

Andrews	Donahey	Holman	Sheppard
Ashurst	Gerry	Holt	Thomas, Okla.
Bailey	Gillette	Hughes	Tobey
Bankhead	Glass	Lucas	Truman
Bridges	Harrison	Murray	Wagner
Brown	Hatch	Overtton	Walsh
Byrnes	Herring	Pittman	
Chavez	Hill	Schwartz	

So the bill (S. 2229) was recommitted to the Committee on InterOceanic Canals.

Mr. McCARRAN. Mr. President, with reference to Senate bill 2229, which has been recommitted to the Committee on InterOceanic Canals, earlier in the day I offered three amendments to it. I ask that they be printed and referred to the Committee on InterOceanic Canals.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1569) to amend the Agricultural Adjustment Act of 1938, as amended, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES of Texas, Mr. DOXEY, and Mr. HOPE were appointed managers on the part of the House at the conference.

TRADE RELATIONS WITH THE PHILIPPINES

Mr. TYDINGS. Mr. President, I ask unanimous consent for the immediate consideration of Senate bill 2390, to amend an act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maryland?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Territories and Insular Affairs, with amendments.

Mr. TYDINGS. Mr. President, in the bill as reported to the Senate there are a number of typographical errors. In one or two cases it is necessary to change a word in a way which does not change the basic meaning of the bill but states it in better form. I ask that these amendments be first read and adopted.

The PRESIDING OFFICER. The clerk will state the amendments.

The CHIEF CLERK. On page 16, at the beginning of line 1, it is proposed to reinsert:

(5) The term "refined sugars" possesses the same meaning as the term "direct consumption sugar" as defined in section 101 of the Sugar Act of 1937.

And to renumber paragraphs 5, 6, and 7 as 6, 7, and 8, respectively.

The amendment was agreed to.

The CHIEF CLERK. On page 5, line 11, after the word "sugars" and before the word "which", it is proposed to insert "other than refined sugars."

The amendment was agreed to.

The CHIEF CLERK. On page 6, line 9, after the word "sugars" and before the word "and", it is proposed to insert "other than refined sugars."

The amendment was agreed to.

The CHIEF CLERK. On page 15, line 13, it is proposed to strike out "(47 Stat. 672)" and to insert "(46 Stat. 675)."

The amendment was agreed to.

The CHIEF CLERK. On page 19, line 12, after the word "this", it is proposed to insert the word "amendatory."

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. O'MAHONEY. Am I to understand that the amendments just read are offered?

Mr. TYDINGS. There was some confusion in the Chamber; but I explained, first of all, that most of the amendments deal with small errors in the bill, the numbering of paragraphs, and so forth. In one or two cases it was necessary to add a few words which do not change the philosophy of the bill in the slightest, but give a clearer picture of exactly what the bill contains. In reference to sugar, no change whatsoever is made in the existing sugar quota.

Mr. O'MAHONEY. I heard the words "refined sugars."

Mr. TYDINGS. Those words were added to make the quota plain.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the votes by which the amendments were agreed to be reconsidered until those of us who are interested in that phase of the bill may have an opportunity to examine the amendments.

Mr. TYDINGS. Mr. President, I ask that the votes by which the amendments dealing with refined sugars were agreed to be reconsidered and that the bill remain in the same position as though the amendments had never been offered until Senators interested therein can familiarize themselves with the subject.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BARKLEY. I suggest that the Senator from Maryland make a general statement about the contents of the bill and its provisions, so that the Senate may understand what we are considering.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. I yield.

Mr. CONNALLY. Has any action been taken on any of the amendments?

Mr. TYDINGS. Only those which are typographical, those which relate to the numbering of paragraphs, and the amendment calling the act an amendatory act rather than the original act. No basic change in the philosophy of the bill has been made by the amendments which have been agreed to up to this time.

Mr. CONNALLY. As the Senator knows, the Senator from Texas is deeply interested in a committee amendment on pages 19 and 20 relating to the processing tax on imported coconut oil. That amendment has not been acted upon, has it?

Mr. TYDINGS. No.

Mr. CONNALLY. When the Senator concludes, I wish to take the floor to make a few remarks concerning that amendment.

The PRESIDING OFFICER. Without objection, the votes by which the amendments relating to refined sugars were agreed to are reconsidered.

Mr. TYDINGS. Mr. President, the bill is far different from the original bill introduced at the beginning of this session of Congress. The original bill covered a wide territory. It covered not only the period up to independence but, in an economic way, covered the period after complete independence. I hope Senators will not confuse the original bill with the bill now before us.

The pending bill deals only with the time up to independence. It does not make any change in the original act after independence. Everything in the original act dealing with the Philippine situation after 1946 remains untouched by the bill which is now pending before the Senate. However, in line with certain requests from Americans and Filipinos alike, it was felt advisable by the administration that some changes be made in the existing independence act of the Philippine Islands.

The original act, called the Tydings-McDuffie Act, provided that commencing in 1941 and extending to the year 1946, tariffs should be levied on products coming from the Philippine Islands into the United States, starting with 5 percent of the existing tariff in 1941, 10 percent of the existing tariff in 1942, and increasing 5 percent each year until 1946, when 100 percent of the tariff would fall upon products coming from the Philippine Islands to the United States, because

after that time the Philippines would be a free and independent country.

After extensive hearings lasting almost a month the committee recommends to the Senate 5 percent reductions in the amount of goods that may come from the Philippines in place of the 5-percent increases in tariffs contained in the original Philippine Act. In other words, if 100 percent is established as the quota of any particular commodity covered by the act, in the year 1941 only 95 percent of that amount may come in; the next year only 90 percent; the following year 85 percent; the next year 80 percent; the fifth year 75 percent, and after the fifth year all considerations of that kind are eliminated, and products coming from the Philippines will be on exactly the same basis as those coming from France, Great Britain, South America, or any other country. In other words, we have substituted a quota restriction for a tariff increase—a constantly decreasing quota for constantly increasing tariffs. Such an arrangement is better for the Filipinos, and I believe it can be shown to be better for our own people.

That, briefly, is the reason for the bill. There are other provisions in the bill, but the bill was offered in the first place to eliminate the increases in tariffs and substitute therefor increases in quota restrictions.

The bill has the approval of the administration. Indeed, I think I may say I have offered it at the request of the administration. I was frank to say to those in the administration who were interested in the matter that I doubted whether the original bill introduced could be passed through this Congress; that there was much opposition in the committee, and I believed there would be much opposition on the floor. However, I felt that the committee and the Senate alike would probably realize that there is fairness in the limitations to which the bill addresses itself, and therefore that such a measure might receive the approval of the Congress.

At the request of the administration I introduced the bill, the committee considered it, and reported it favorably, with one or two amendments.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. ADAMS. I gather that the plan of the bill is to change the sliding scale from a tariff to a quota reduction basis.

Mr. TYDINGS. Yes.

Mr. ADAMS. Can the Senator tell me offhand whether or not there is the same 5-percent reduction in sugar quotas?

Mr. TYDINGS. I shall try, of course, to answer any question as accurately as I can. However, I will say to the Senator that generally, wherever there was a 5-percent increase in tariff in the original bill, there is in this bill a quota provision to take care of the tariff.

Mr. ADAMS. I notice that certain specific quotas are set out on page 3. I have not read the bill. Can the Senator tell me whether or not the sugar quota, which was 850,000 tons under the original bill, was subjected to a 5-percent reduction?

Mr. TYDINGS. No. The commodities which are in the bill under the quota are Philippine cigars, scrap tobacco, cigar ends, stripped filler tobacco, coconut oil, pearl buttons, and embroideries. In my judgment the provisions of the original independence act in reference to sugar remain untouched.

Mr. ADAMS. That is, the tariff limitation would then apply?

Mr. TYDINGS. That is correct. The quota provision of 50,000 refined tons and 800,000 raw tons remains; and all the tariff provisions of the original act remain as we passed the act in 1934.

I think I should perhaps make more headway, and I desire to yield the floor as soon as possible, if, with this brief explanation and making one or two more statements I desire to make, Senators would later ask me questions which, insofar as I can, I will try to answer.

Mr. O'MAHONEY. Mr. President, will the Senator yield, if it is not objectionable to him at this point?

Mr. TYDINGS. I am glad to yield.

Mr. O'MAHOONEY. I just read the amendments the Senator sent to the desk. Glancing at the second one, I ask the Senator if there is not a typographical error in it. If the Senator will observe, it inserts the phrase "other than refined sugars" after the word "sugars" and before the word "which." Does he not mean before the word "shall?"

Mr. TYDINGS. It may be; I would have to look at it again. I would not want to say offhand. I will say, however, that I think these amendments came to me from the Customs Bureau of the Treasury Department and I may have misinterpreted them.

Mr. O'MAHOONEY. The amendment which the Senator has sent to the desk reads:

On page 5, line 11, insert after the word "sugars", and before the word "which" the following: "other than refined sugars."

There is no word "which" at that place.

Mr. TYDINGS. On what page?

Mr. O'MAHOONEY. On page 5, line 11. That, of course, will have to be straightened out.

Mr. TYDINGS. We will straighten that out. The Senator, of course, may be correct. I have merely offered the amendments at the instance of the administrative department in the hope that they would clarify the existing language. If it does not change the philosophy of the measure, I have no objection to correcting the typographical errors in the form in which I have presented them.

Mr. O'MAHOONEY. At the proper time, I shall ask the Senator to explain what the effect of those amendments will be.

Mr. TYDINGS. Very well.

Under the original Filipino Act, too, a large sum of money was to be collected through various taxes and then turned over to the Filipino government, which it could spend in almost any way it desired. There is a provision in this bill which limits the way in which that money may be expended, and it is to be managed under a joint Filipino and American commission which will use the money as a guaranty to liquidate any Filipino bonds, to which it might be assumed our Government is a party, directly or indirectly; so that we will not have claims bills here after all arrangements have been completed and be called upon to pay interest or, perhaps, principal, if, as I do not believe will happen, the bonds should ever be in default.

Another question relates to the rights of Americans in the Philippine Islands. Those rights were pretty clearly defined in the original Independence Act, and we have in this bill given to the Filipinos the same rights in this country that the Philippine government gives to Americans in the Philippine Islands.

Then, too, in the original act no provision was made to retain property now belonging to our Government should we desire to retain it for diplomatic, business, or other purposes. Under the provisions of the pending bill the United States reserves the right to retain any of this property that it now has in the Philippine Islands for any use to which it may desire to put it, whereas without this provision all of that property would revert to the Filipino government.

What I have said briefly touches the high lights of the bill. I understand there will be some discussion of the coconut-oil provision, and I have asked the Senator from Arizona [Mr. HAYDEN], who has made a very intensive study of this particular phase of the question and has compiled considerable data, if the necessity arises, to present the full case on that particular subject.

There is much interest, too, regarding sugar, and, rather than take any chance that I might misrepresent the matter, I asked Vice President Osmena, of the Philippine government, to make clear that turbinado sugar, which has been coming into the United States, would not come in the future, as the refineries feel that the raw sugar should come in and our people should have the work of refining it in accordance with the Sugar Act. Vice President Osmena wrote me a letter stating that as all sugar had to receive a license from the

Filipino government before it could be exported to this country, he had received assurances, which he put in a letter, that even if the law were not touched not another license would be issued to permit the shipment of turbinado sugar into the country. Without questioning his good faith, I asked him if he would not also get a statement from President Quezon touching this subject. He sent me on May 29 the following letter, which I should like to have printed in the RECORD, and which I will read:

MAY 29, 1939.

MY DEAR SENATOR TYDINGS: In further reference to the question of sugar, I beg leave to quote hereunder a telegram received from President Quezon addressed to Commissioner ELIZALDE regarding stopping further shipments of turbinado sugar:

"MAY 26, 1939.

"No. 326. For Commissioner ELIZALDE:

"No further shipments turbinado will be permitted.

"QUEZON."

Since under existing law and the provisions of the bill (S. 2390, Calendar No. 481), reported by your committee Philippine sugars sent to the United States must have export permits from the Philippine government, the refusal of the Philippine government to issue permits for turbinado sugar will be sufficient to stop further shipments of such sugar to the United States.

I trust that this information will serve your purpose.

Sincerely yours,

(Signed) S. OSMENA,

Vice President of the Philippines, on
Special Mission to the United States.

Senators will recall that a great many refiners thought that the importation of turbinado sugar was a violation of the act, and rather than trust the matter to defining it again, and perhaps having some other content come in, I thought that it would be wise at the same time to have what might be called a definite understanding about it. Having had this assurance from the President of the Filipino government and the Vice President of the Filipino government, and as that government itself must issue permits for any such sugar that comes into the United States, their word in formal statement that it will not come in, together with letters from the Treasury Department, as well as the State Department, that there is no need for the amendment, I feel that the limitation of 50 tons of refined sugar will be respected in every way.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Louisiana.

Mr. ELLENDER. The fact remains, however, does it not, that under the pending bill as it is now framed 850,000 tons of direct-consumption sugar may enter the United States from the Philippine Islands? As the law now stands, 800,000 long tons of raw sugar and 50,000 tons of refined sugar may be admitted.

Mr. TYDINGS. That is correct.

Mr. ELLENDER. Under this bill it can be all—

Mr. TYDINGS. Raw sugar.

Mr. ELLENDER. Yes. But it can also be all direct-consumption sugar. That will especially be true should we fail to reenact a new sugar bill at the expiration of the 1937 Sugar Act.

Mr. TYDINGS. I do not think so; I think it can all be raw; but only 50,000 tons can be refined sugar; and, with the telegram covering sugar which is just under what is considered to be refined sugar and the promise that no permits will be issued for that kind of sugar, we have, in addition to the law, the word of the Filipino government itself that the sugar will be sent in a raw state and not in a semirefined or refined state.

Mr. ELLENDER. The present officers of the Filipino government may lose their jobs at the next election.

Mr. President, will the Senator further yield to me?

Mr. TYDINGS. Yes.

Mr. ELLENDER. As the law now stands, should the Philippines fail to send any refined sugar, their exportation to this country would be limited to 800,000 tons of raw sugar?

Mr. TYDINGS. As the law now stands, that is correct.

Mr. ELLENDER. Under the pending bill, if they choose not to send any refined sugar, they could send 850,000 tons of raw sugar.

Mr. TYDINGS. That is correct.

Mr. ELLENDER. So that they could really and truly increase their shipments of raw sugars by 50,000 tons.

Mr. TYDINGS. That is not correct. Under the present law they can send 800,000 tons of raw sugar and 50,000 tons of refined sugar, making 850,000 tons all told. They could send in, under this bill, 850,000 tons, which may all be raw or 800,000 tons of it could be raw and 50,000 tons and no more could be refined.

Mr. ELLENDER. Exactly so. And I am convinced that if we fail to use the same terms with respect to sugar in both the pending bill and the Sugar Act it would permit the importation of direct consumption sugar in addition to the 50,000 tons of duty-free refined.

Does the Senator know how much refined sugar they have sent to the United States in the past?

Mr. TYDINGS. I am saying to the Senator, in answer to both questions, that the reason the committee worded it in this fashion is that turbinado sugar is so close to refined sugar that we wanted a double definition, a double check, so that the terms of the Sugar Act would not be violated by the Filipino government. If we have not done that then we have missed our purpose.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Kentucky.

Mr. BARKLEY. As I understand, under the present law 800,000 long tons of sugar may be shipped into the United States?

Mr. TYDINGS. That is correct.

Mr. BARKLEY. And 50,000 tons of refined sugar?

Mr. TYDINGS. That is correct.

Mr. BARKLEY. Of course, if they send in 800,000 tons of raw sugar and 50,000 tons of refined sugar, then the 800,000 tons of raw sugar are refined in this country.

Mr. TYDINGS. That is correct.

Mr. BARKLEY. Under the pending bill they could send 850,000 tons of raw sugar?

Mr. TYDINGS. That is correct.

Mr. BARKLEY. And the additional 50,000 tons would be refined in this country rather than in the Philippines?

Mr. TYDINGS. The Senator is correct. The attitude of Congress has been to permit the importation of raw sugar and have it refined in this country rather than to have them develop the refined sugar business in the islands. To speak frankly, that is what the Congress, and particularly those interested in sugar legislation, wanted. We thought we were meeting that view by putting the possibility of cutting out the exportation of refined sugar up to them, and having it all in the raw state instead of the refined state, and they were satisfied to proceed in that way.

Mr. BARKLEY. That constitutes an advantage to this country, because all the sugar will be refined here.

Mr. TYDINGS. Yes, and will provide employment in this country which would not otherwise exist.

Mr. BARKLEY. Let me ask the Senator another question. Considering the probable difference in the restriction of importations by reason of the stepping up of the tariff 5 percent, as would be done under the present law—

Mr. TYDINGS. Not in the case of sugar.

Mr. BARKLEY. No, but providing in this bill that instead of stepping it up 5 percent the imports shall be automatically reduced 5 percent, can the Senator advise us under which plan the largest amount of imports would probably occur?

Mr. TYDINGS. Yes; I think I can. In some cases, on some particular products, it is possible that the tariff might cut down importations more than the quota would do so. On other products, because of the particular economic factors that enter into the production of those products, it might be that the quota would cut down importations more than the tariff would do so. I may say to the Senator, however, that on a couple of the products, like embroideries, if we do not have the quota it is quite likely that the entire industry in the Philippine Islands will go out of existence.

Mr. BARKLEY. It is true, though, that a definite reduction in quotas brings about a more specific reduction in imports than might be possible under a 5 percent higher tariff?

Mr. TYDINGS. That is correct; and it allows the Filipino people to know exactly how much they may produce, and to readjust their economy, which all of us want them to have a chance to do.

Mr. BARKLEY. Under the tariff step-up the amount would be more or less speculative, whereas under this plan it is really definite?

Mr. TYDINGS. That is correct.

Mr. KING. Mr. President, perhaps the Senator has stated—if not, I think he might with great propriety state—that the most recent report from the Agricultural Department and the State Department shows that the Philippine Islands are now the fifth largest customer of American commodities. In other words, there are only four countries which purchase a larger quantity of American goods than do the Philippines; and the Philippines therefore are a very important market for the products of the United States.

Mr. TYDINGS. I thank the Senator for his contribution. What we tried to do in the bill which is pending before the Senate was to obtain the maximum amount of prosperity for both countries without seriously injuring anything in either country, so far as we could. It was not possible to work out the matter with complete perfection to the satisfaction of all parties concerned; but we tried to take into consideration the welfare of our own country selfishly, the welfare of the Filipino people selfishly, and then in a more tolerant way the welfare of both countries, and to adjust the facts and circumstances to that particular situation, because the Philippines are one of our good customers, and we do not want to destroy that buying power, particularly at this time of unemployment.

Mr. President, I understand that some amendments may be offered from the floor. Only two amendments are offered by the committee, I believe. I ask unanimous consent that the committee amendments be first acted upon.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the request of the Senator from Maryland? The Chair hears none, and it is so ordered.

Mr. O'MAHONEY. Mr. President, may I ask the Senator from Maryland to explain the effect of the amendments which he has just proposed from the floor?

It would appear from the text of the amendments which were read from the desk today that the phrase "other than refined sugars" is being inserted in the bill in two places. The provisions which are changed by this amendment are provisions which govern the allocation of the quota by the Philippine government. My question to the Senator is intended to develop information as to what will be the effect upon the bill of inserting this phrase in two places.

Mr. ELLENDER. Mr. President, has the Senator from Maryland yielded the floor?

Mr. O'MAHONEY. No; the Senator has just yielded for a question.

Mr. ELLENDER. I desire to ask him another question.

Mr. TYDINGS. Mr. President, without taking either Senator off the floor I am going to ask, if I may, in order to get one situation disposed of, if the Senate will not unanimously agree, on page 5, line 11, after the word "sugars", to insert the words "other than refined sugars." That is what we have just been discussing.

Mr. ELLENDER. The question I desired to ask the Senator from Maryland is: Where does he find the language in the bill that prescribes that the 800,000 tons of sugar shall be raw sugar? As I understand the language on page 4, line 11, it says:

Upon all Philippine sugars, which are entered, or withdrawn from warehouse, for consumption.

And on page—

Mr. O'MAHONEY (interposing). Mr. President, may I answer for the Senator from Maryland?

Mr. TYDINGS. Go ahead.

Mr. O'MAHONEY. My impression is that the Senator from Louisiana was not on the floor when the Senator from Maryland presented an amendment by which lines 1, 2, and 3 on page 16 are restored to the bill. As the measure was

reported by the committee, those three lines were to have been eliminated. The committee now restores them to the bill; and I think that covers the primary question in which those of us who are representing sugar-producing States were very much interested.

Mr. ELLENDER. The Senator from Louisiana was on the floor and that is not his understanding. That language has not been restored. Mr. President, I repeat, will the Senator point out the language as it now appears in the bill that makes it certain that only raw sugars will be permitted to enter and not direct consumption sugar. As I remarked a few minutes ago it is essential that the same terms with respect to sugar be used in both the pending bill and the 1937 Sugar Act.

Mr. ADAMS. Mr. President, that means that the committee amendment was not agreed to?

Mr. O'MAHONEY. Exactly; that is my understanding. The committee amendment has been withdrawn, and the bill now is before the Senate containing this sentence:

The term "refined sugars" possesses the same meaning as the term "direct consumption sugar" as defined in section 101 of the Sugar Act of 1937.

Mr. TYDINGS. Mr. President, does the Senator mean that that language is out or in?

Mr. O'MAHONEY. The words I have just read will appear in the bill.

Mr. TYDINGS. Mr. President, that is not correct. No effort has been made to withdraw any amendment. I did not understand the Senator. This particular provision I asked to have written by the Tariff Division of the State Department, which has control over reciprocal treaties, and referred to the customs; and I have here letters from Mr. Gibbons, and likewise the wording in the report.

Mr. O'MAHONEY. Mr. President, if the Senator will yield to me, I am basing my statement upon the first two lines of the amendment which he himself just offered from the floor and sent to the desk.

Mr. TYDINGS. Yes; the Senator is perfectly correct about that. He and I are talking about two different things.

Mr. LODGE. Then the language at the top of page 16 is just as it originally appeared in the bill?

The PRESIDING OFFICER (Mr. Hatch in the chair). The present occupant of the chair has just taken the chair, but he is advised that the Senator from Maryland offered certain amendments which were agreed to; but later, on the request of the Senator from Wyoming [Mr. O'MAHONEY], those amendments were reconsidered, and none of them has been adopted.

The Senator from Maryland first asked unanimous consent that committee amendments be first considered. That consent was given. Then the Senator from Maryland asked unanimous consent that on page 5, line 11, certain words be inserted; and that is the question now before the Senate.

Mr. O'MAHONEY. I think the Chair has correctly stated the parliamentary situation; but before I can give consent to the adoption of the amendment just proposed by the Senator I want to clear up the effect of these amendments upon the importation of Philippine sugar.

As I was discussing the amendment with the Senator, a question was raised by the Senator from Louisiana [Mr. ELLENDER] dealing with the primary issue of refined and direct-consumption sugars and as to what they mean. I am calling his attention to the fact that the first amendment which was offered by the Senator from Maryland today was to reinsert lines 1, 2, and 3 on page 16. As the bill was reported by the committee, those lines were stricken out. They are now reinserted; so that if the bill is enacted as the chairman of the committee now urges it, it will contain this sentence:

The term "refined sugars" possesses the same meaning as the term "direct consumption sugar" as defined in section 101 of the Sugar Act of 1937.

I may say that that is altogether satisfactory to me, and I believe it is quite satisfactory to all of us who represent sugar-producing States.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Montana?

Mr. O'MAHONEY. I shall be very glad to yield to the Senator from Montana.

Mr. WHEELER. The Senator says the first three lines on page 16 remain in the bill.

Mr. O'MAHONEY. If the amendment which the Senator now offers is adopted.

Mr. WHEELER. All it would be necessary to do, if it is desired to have those three lines remain, is not to adopt the committee amendment.

Mr. O'MAHONEY. Exactly; so that the motion would be to withdraw or reject the amendment.

Mr. WHEELER. Yes. I suggest to the Senator from Maryland, in order that we may clear up this matter, that he ask unanimous consent that the committee amendment on page 16 be rejected.

Mr. TYDINGS. I will do that, if the Senator will yield just a moment. Let me say, in order that there may be no anxiety about any change in the quotas on sugar, and that there may be no further anxiety about the importation in the future of turbinado sugar, not only does the committee amendment define how much sugar of all classes may come in, and no more, but I have previously read the statement of the President of the Philippines and the Vice President that no permits will be issued for the exportation to the United States of semirefined sugar from the Philippine Islands. So that either way, and certainly by both ways, the condition of which many have complained will not come to pass.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. TYDINGS. As soon as I make a request I will yield. I ask unanimous consent for the consideration in order of the amendments which I send to the desk.

The PRESIDING OFFICER. The question now before the Senate is the request of the Senator from Maryland that on page 5, line 11, there be inserted the words which the Senator has stated and which the Chair will ask the Senator to state again.

Mr. TYDINGS. Mr. President, I ask that that amendment be withdrawn and that the amendments which I have sent to the desk be read in order and acted upon by the Senate. They will carry the idea through the entire bill in line with the discussion on the floor.

The PRESIDING OFFICER. Is there objection? The Senator from Maryland proposes that the Senate reject the committee amendment to strike out lines 1, 2, and 3 on page 16 and to change the numbering of the paragraphs.

Mr. LODGE. Mr. President, I should like to ask the Senator from Maryland for the Record whether it is not his understanding, as it is mine, that the adoption of this amendment will give the American sugar-refining interests every safeguard they request?

Mr. TYDINGS. It certainly will, and, in addition to that, it will make explicit what the Congress has already said in a formal law so that there cannot be any doubt in the future as to what was intended by Congress.

Mr. LODGE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 16, line 1.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the second amendment submitted by the Senator from Maryland.

The CHIEF CLERK. On page 5, line 11, it is proposed to insert after the word "sugars" and before the word "shall" the words "other than refined sugar."

Mr. O'MAHONEY. Mr. President, I desire to ask the Senator from Maryland to explain the effect of the amendment. I take it that this amendment and the next succeeding one are intended to serve the same purpose.

Mr. TYDINGS. The best way to explain the amendment is to read the text as it would be if amended:

The quotas for sugars other than refined sugar shall be allocated annually to the sugar-producing mills and the planters supplying the mills.

And so forth. In other words, after the Philippines, in the Sugar Act, were allowed 800,000 long tons of raw sugar, it became necessary for the Philippine government to say who was going to produce the raw sugar. As we wanted to treat all of the Filipino sugar producers fairly, insofar as we could control the matter without infringing on the rights of the Filipino government, we merely inserted the provision that those quotas should be fixed equitably among the sugar producers of the Philippines. It applies only to raw sugar, because there is only one refinery of any consequence in the islands. Does that explain it?

Mr. O'MAHONEY. It is my understanding that the amendment pending and the succeeding amendment apply solely to the activities of the Philippine officials, and do not in any manner whatsoever affect the importation of refined sugar to the United States.

Mr. TYDINGS. Not in the slightest way.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Maryland. The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment submitted by the Senator from Maryland.

The CHIEF CLERK. On page 6, line 9, after the word "sugars" and before the word "and", it is proposed to insert the words "other than refined sugar."

The amendment was agreed to.

The PRESIDING OFFICER. The Chair informs the Senator from Maryland that the next two amendments sent to the desk have already been agreed to.

Mr. HAYDEN. Mr. President, as has been very properly pointed out by the Senator from Utah [Mr. KING], the Philippine Islands now occupy a position as our fifth best customer in all the world.

Mr. CONNALLY. Mr. President, if the Senator will yield, his amendment is not now before the Senate, is it?

Mr. HAYDEN. No; I am making some general observations.

When we took over the Philippine Islands they had a population of about 7,000,000. The population has increased to 17,000,000, and that is one reason why we have such good trade with them.

Senators will find in examining the bill that we are not just doing something good and altruistic for a people across the Pacific; we are conferring substantial benefits upon the United States. As I have stated, the Philippines are our fifth best customer, and among the products of which they buy most are, first, cotton textiles. They have been among our very best customers in all the world. Last year they bought 39 percent of all the cotton textiles exported from this country. To insure that that market shall not be lost the pending bill I read from the report of the joint preparatory committee:

The committee, therefore, recommends that the Philippine tariff on cotton textiles be increased. It recommends the adoption of the schedules specifically set forth in appendix III, which schedules, if made effective simultaneously with the termination of the "gentleman's agreement," should not increase materially the prices paid by Philippine consumers.

The bill specifically refers to the recommendations made by the joint preparatory committee and states that they shall be carried out. The recommendation as to cotton textiles is that the Philippine tariffs shall be raised as against the rest of the world, and the United States shall continue to have free entry for cotton textiles into the Philippine Islands. That means, in effect, the elimination of Japanese competition to a very large extent. The Japanese were taking that business away from us entirely, but by the gentleman's agreement, referred to heretofore, they agreed not to take more than half of it. If the pending bill shall be enacted into law and its terms carried out, we will have a very much better market for cotton textiles in the Philippine Islands.

Our next large item of export to the Philippine Islands is evaporated milk. In the last year we sent to the Philippines 49.3 percent of all the evaporated milk which was shipped out of the United States. It is a very excellent market. However, there has been increasing competition in evaporated

milk in that market from the Netherlands. The pending bill provides that the Philippine tariff on condensed milk shall be increased from 10 to 25 percent ad valorem as against the rest of the world and that from now until 1946 the American condensed milk shall have free entry into the Philippine Islands.

The next large item of export to the Philippines is canned fish. Of canned sardines we send to the Philippines 26.5 percent of our exports to all the world. The bill provides for increased Philippine duties on all canned fish, giving, again, a preference for American canned fish in that market. What is true of canned sardines is also true of canned mackerel; 26.2 percent of all the canned mackerel shipped out of the United States last year went to the Philippine Islands.

They are good customers for our corrugated iron. They buy our automobiles. We have educated them over a period of 40 years to know and understand American products. We have taught them the English language, so that they can read and understand the advertisements in American magazines. It is a market we do not want to lose; it is advantageous to us.

The only way the Philippines can do business in the United States is by having purchasing power, and that is why I favor the provisions of the pending bill, which allow a quota of sugar to come to the United States. If the Filipinos can sell their sugar here, they can buy our canned fish, our condensed milk, our automobiles, and the other products they have been purchasing from us. The same thing is true of their cordage and the same is true of their coconut oil. I mention the latter because that is the subject of the next amendment to be considered in the bill.

I wish to state briefly why the Senate Committee on Territories and Insular Possessions made a recommendation that the excise tax of 3 cents per pound on coconut oil, now levied when it comes in from the Philippine Islands, should be taken off so far as denatured coconut oil is concerned.

Of the coconut oil imported into the United States, 68 percent is used in soap. If it is denatured, it could still go to that market. Thirty-two percent goes into food products.

The committee proposes to admit denatured coconut oil free, but to continue the excise tax of 3 cents per pound upon any coconut oil which comes in for food purposes.

We made that provision because it was in the interest of our own country. We found that as a result of the provision of law which requires that the export taxes be returned to the Philippines for the 4 years, 1935, 1936, 1937, and 1938, a total of \$65,000,000 was collected in the United States at the expense of our Government and remitted to the Philippine Islands. The average for the 4-year period was \$16,358,497. In the first 9 months of the present year \$14,000,000 had already been collected. At the present rate we will collect around \$18,000,000 this year in the United States and remit it to the Philippine Islands. Those figures are what the committee considered in making its recommendations.

Mr. FRAZIER. Mr. President—

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Arizona yield to the Senator from North Dakota?

Mr. HAYDEN. I yield.

Mr. FRAZIER. I should like to ask the Senator from Arizona what he thinks the effect would be if the 3-cent tariff were cut off; whether the coconut oil would come in that much cheaper, and, if it did, would it not have the effect of reducing the price of our fats and oils here in the United States?

Mr. HAYDEN. That brings me to the next fact which induced the Senate committee to recommend this amendment. We ascertained as a fact that in a little less than 5 years there had been accumulated in this country practically \$80,000,000 which we must give to the Philippine government. If in doing that we had cut down the uses of coconut oil in the United States, it might have been entirely justified. But I want to give the Senate the figures for the years before the tax was imposed and after the tax went into effect, to show that it had no effect at all.

The tax was imposed in 1934. Let us take the 4 years before that: In 1931, 592,000,000 pounds of coconut oil came

to the United States; in 1932, 549,000,000 pounds; in 1933, 583,000,000 pounds; in 1934—the year in which the tax was imposed—585,000,000 pounds; in 1935, 582,000,000 pounds; in 1936, 602,000,000 pounds; in 1937, 425,000,000 pounds. In 1938, 555,000,000 pounds of coconut oil came in.

Senators can see from those figures that, although the 3-cent tax was imposed, coconut oil still came in from the Philippines in practically the same volume. There must be a reason for that. The reason is perfectly simple—that good soap cannot be made without the use of coconut oil.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. PEPPER. I wish to ask the Senator if it might be possible that the need for that kind of oil expanded, and in spite of the fact that the quantity which came in increased, there still might have been some diminution in quantity by reason of the imposition of the tax.

Mr. HAYDEN. No, Mr. President. The principal use of the coconut oil in the United States is to make soap. Imported oils that go into soap must contain lauric acid. When coconut oil goes into food products, the committee does not propose to change the rate at all. Personally I think that is entirely sound. We have this broad fact to consider, that in the United States for many years, except in the drought years, we ordinarily have had a great surplus of edible oils and fats, more than we needed. We exported large quantities of lard and other fats; but we have always had a shortage of inedible oils and fats, and that being the case, we must distinguish between the two, and that is what the amendment does.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ADAMS. Can the edible oils be substituted for the inedible oils in soap making?

Mr. HAYDEN. No.

Mr. ADAMS. I ask the question because in the amendment there is provision for the treatment of certain oils so they might not be edible.

Mr. HAYDEN. Yes. Coconut oil can be very satisfactorily denatured. Coconut oil can be so treated that it can no longer be consumed as food. It is made to be very, very bitter. Congress has imposed that duty upon the Treasury Department, and they have been denaturing oils for the last 25 years. If the oil is properly denatured, it is no longer edible and no longer competes with American edible oil. Without being denatured, coconut oil can be used for edible and nonedible purposes. But what the committee is proposing by the amendment is the admission only of coconut oil that is nonedible. The principal destination of that oil is the soap kettle.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. Is there any limitation upon the amount of the denatured coconut oil that can be brought into the United States?

Mr. HAYDEN. There is a limitation in the quota of coconut oil manufactured in the Philippines that can come in.

Mr. ELLENDER. I have particular reference to the amount that is to come in a denatured form for the purpose of making soap.

Mr. HAYDEN. The law now provides, and the amendment contemplates, that if copra comes in and oil is pressed out of it, the manufacturer shall pay the excise tax if there is a tax to be paid on the edible part of it. On the part that is being made inedible, he pays no tax. If the coconut oil comes from the Philippine Islands and is purchased by a soap factory, that would be the first domestic processing of that oil, and the soap maker pays the tax now. He would not have to pay it if it were denatured oil.

Mr. ELLENDER. My information is that as much as 448,000,000 pounds of this denatured coconut oil is to be permitted to be imported into this country under the proposed legislation. Is that correct?

Mr. HAYDEN. That is hardly as much as has been coming in, so it is within the limit. We imported 555,000,000 pounds this year. And as I just read the Senate the figures, we im-

ported 602,000,000 pounds in 1936, and 582,000,000 pounds in 1935.

Mr. ELLENDER. The Senator has stated the entire amount of coconut oil importations. I had reference to the denatured oil that may be permitted under the bill. Mr. President, would the Senator agree to an amendment limiting the amount of denatured coconut oil?

Mr. HAYDEN. I cannot see any possible advantage in doing that. The purpose of the amendment would be destroyed. What we are trying to do is to let oil come in to be used in making soap, and not to be taxed, because the tax is paid by the American consumer.

Mr. ELLENDER. If the bill is passed the American consumer will pay just the same. I predict that the soap will not sell any cheaper than it is now sold, and the manufacturer is going to get the benefit. Why not put a limitation? Why not place a limitation of say 362,000,000 pounds, the amount consumed last year by soap manufacturers.

Mr. HAYDEN. When the tax was imposed the price of soap went up. I quoted the figures from the hearings before the Committee on Finance in that respect.

Mr. ELLENDER. They had a good reason to cause the price of soap to go up. They are going to take advantage of this tax rebate, as it were, and make the American people pay just the same.

Mr. HAYDEN. The tax is paid in one of two places. It is paid either by the American consumer or paid by the Philippine producer of coconut oil. My judgment is that when times are good and there is a demand for oil all over the world, it is paid by the American consumer. When times are bad it is reflected back and paid by the coconut grower in the Philippine Islands.

Mr. ELLENDER. I have before me a statement from the Department of Commerce showing that in the year 1938, 702,000,000 pounds of inedible tallow was used in the making of soap.

Mr. HAYDEN. That is correct.

Mr. ELLENDER. With this cheaper coconut oil coming in, what effect will it have, in the Senator's opinion, on the use of these tallow inedibles for making soap?

Mr. HAYDEN. That is a question I am glad the Senator asked, because some of the stockmen out in Arizona are asking me the same question, implying that the introduction of coconut oil will displace tallow. There is no basis in any Government statistics to justify that idea. The truth is that we used to make soap out of tallow before we had coconut oil, and then we found that by mixing coconut oil with tallow we would get a soap that would lather in hard water. You cannot make a soap that satisfies the American housewife unless it has these lauric acid oils in it. If too much coconut oil is used it is hard on the hands and women do not like it. If you do not put enough coconut oil in it, and there is too much tallow, the soap will not lather.

A soap formula has been worked out since the World War which is satisfactory to the great majority of women in the homes of America. Of all the fats and oils used in the manufacture of soap, about 20 percent has been coconut oil, and about one-fifth or one-fourth of the oils that go into soap must be the oils that contain lauric acid. Since the invention of the washing machine the American housewife knows exactly what she wants. She wants something that will properly wash the clothes, and you cannot substitute anything for it. That is why, when Congress imposed this excise tax of 3 cents on coconut oil, it did not stop its importation. The soap makers had to have it to make a soap the American housewife would use, and they added the cost of the tax on coconut oil to the price of soap. That was all there was to it.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TYDINGS. I should like to suggest that the amendment had its origin with the Senator from Arizona, and that there is no desire on the part of the Philippine government, so far as we know, to cut themselves out of \$16,000,000 a year of good American tax money. The amendment does not come from Philippine sources. The Senator from

Arizona was wise enough to see that we were paying \$16,000,000 of unnecessary taxes to the Philippine government each year, and getting no benefit for our own people.

It is not a Philippine amendment. It is an amendment to help our own people, and we ought to have that situation very clearly in mind.

Mr. HAYDEN. That is why I prefaced my remarks by stating that I wanted the Senate to look at this bill from the American point of view.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. I understand, from the argument which the Senator has, as always, presented most lucidly, that the only purpose is to exempt from the tax denatured coconut oil which is to be used in the manufacture of soap.

Mr. HAYDEN. That is primarily the use to be made of it.

Mr. O'MAHONEY. Why not use exactly that language and state it in the amendment?

Mr. HAYDEN. If a plant on the Pacific coast were bringing copra from the Philippine Islands and pressing the coconut oil out of it and denaturing it, the coconut oil would be made unfit for food.

Mr. O'MAHONEY. The Senator misunderstands me. The amendment which the committee has reported excepts from the tax coconut oil which has been rendered unfit for use as food or for any but mechanical or manufacturing purposes.

Mr. HAYDEN. That is correct.

Mr. O'MAHONEY. Would the Senator object to striking out the words "but mechanical or manufacturing purposes" and inserting in lieu thereof the words "use except in the manufacture of soap"?

Mr. HAYDEN. One of the manufacturing purposes of coconut oil is that it is used in the manufacture of safety glass. It is the best oil for use in the composition which is put between the panes of safety glass, which is used in automobiles. All kinds of oils have been used in making the composition which is put between the two panes of glass, and coconut oil has been found to be the best oil for that purpose. That use is technical, but it does not interfere with any vegetable oil produced in the United States.

Mr. O'MAHONEY. The Senator's argument is based upon two instances: first, soap, and now safety glass.

Mr. HAYDEN. Yes.

Mr. O'MAHONEY. But the language is broad enough to cover any use.

Mr. HAYDEN. So long as we are protecting the American producer of fats and oils, whose market is for food use, there can be no legitimate complaint.

Mr. O'MAHONEY. But it is not for food use. We are exempting from the tax any coconut oil which may be used for lubrication. We say so.

Mr. HAYDEN. If coconut oil is the best kind of oil to use for lubricating purposes, how does that use in any manner interfere with the fats and oils produced by American farmers, which cannot be used for lubricating purposes?

Mr. O'MAHONEY. It might take the place of some fats or oils that could be used.

Mr. HAYDEN. The facts do not so indicate.

I wish to complete my discussion on the question of inedible tallow. I am sure the Senator from Wyoming is interested.

The figures which I shall put in the RECORD show that in 1912 we used about 333,000,000 pounds of tallow and 99,000,000 pounds of coconut oil. The figures have increased until last year, as shown by the table the Senator has, we used 702,000,000 pounds of tallow and 342,000,000 pounds of coconut oil. What does that mean? It means that the manufacture of soap requires more than 2 pounds of tallow for every pound of coconut oil. It is impossible to make a soap that will lather in any kind of water unless the two are combined. So I think the testimony of the manager of the Los Angeles Soap Co. before the Committee on Finance is very appropriate. He said that coconut oil is the best friend of tallow, because combining it with tallow

is the only way in which good soap can be made. Soap must be made cheaply. It is used in every household in the United States, and the market has expanded so that for every pound of coconut oil that has been imported we have had to use two pounds of inedible tallow.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. Has the Senator a table showing the proportions of tallow and coconut oil used in the manufacture of soap?

Mr. HAYDEN. Yes; I have complete figures. I shall put a number of tables in the RECORD. Table 8 in the publication of May 15, 1939, of the Department of Agriculture, Bureau of Agricultural Economics, shows the fats and oils situation. I shall print that table, which goes back to 1912 and covers every year from then until 1938, showing exactly what fats and oils were used to make soap.

Mr. ELLENDER. Will the Senator at this time read into the RECORD the proportions of inedible tallow and coconut oil used in making soap?

Mr. HAYDEN. That information will also be found in table 9, where the figures are transferred into percentages. In 1938, inedible tallow was 39 percent of the component parts of soap. Coconut oil was 19 percent. Soft oils of all kinds amounted to 14 percent, and the rosins to 6.9 percent. There are three or four principal ingredients of soap. The so-called hard oils are inedible tallow, whale and fish oils, and palm oil. The quick lathering oils are coconut oil, palm-kernel oil, and babassu oil. The soft oils are cottonseed foots, soybean oil, and so forth. Finally, there are the rosins. I shall put the table in the RECORD, showing not only the quantities but the percentages. I defy anyone to make a study of those tables over the past 25 years and not conclude that the use of coconut oil has increased the use of inedible tallow.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. According to the table from the Department of Commerce, to which I have just referred, twice as much inedible tallow as coconut oil was used in making soap. Will the Senator point out, in the table to which he has just referred, the proportion of inedible tallow which is used in making soap, in contrast to the coconut oil which is used, let us say, for the past 10 years?

Mr. HAYDEN. Yes. The ratio continues through the years with certain variations. If the Senator will examine the tabulation all the way through, he will find that the ratio is roughly 2 to 1. Taking the totals from the table which the Senator is showing me, slightly more than twice as much inedible tallow as coconut oil was used.

Mr. ELLENDER. Slightly more than twice as much?

Mr. HAYDEN. Some years the ratio is a little more, and sometimes a little less, depending, I suppose, upon the quantities available in the market. However, as these figures will show, the general use throughout the years, covering a 25-year period, is about twice as much tallow as coconut oil.

Mr. President, that concludes the general observations I wish to make. I should like to have the amendment stated.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. Would the Senator object to the amendment which I suggested a moment ago? As the language comes from the committee, it throws open the door of exceptions to any use which may develop in the future. The whole argument of the Senator is dependent upon two uses, soap and safety glass. As I understand his argument, it is that the admission of coconut oil, far from being a detriment to the producer of animal fats, is an assistance to him, because it increases the market for both coconut oil and tallow in the manufacture of soap.

Mr. HAYDEN. That is correct.

Mr. O'MAHONEY. I also understand the Senator to say that animal fats cannot be used in the manufacture of safety glass. Is that correct?

Mr. HAYDEN. That is correct.

Mr. O'MAHONEY. Those are the only two purposes for which it is desired to grant the exemption?

Mr. HAYDEN. I would not say that. The purpose I have in mind is that any use we make in soap, or for any mechanical purpose, shall not be in competition with anything that an American stockman or farmer grows.

Mr. O'MAHONEY. How can the Senator say that when he cannot define all the uses to which tallow may be put?

Mr. HAYDEN. If the Senator will take any one of these tabulations, he will find, first, that tallow cannot go into paint, varnish, linoleum, or printing inks, and other miscellaneous products. Those are mechanical uses of oils. It is simply impossible to use tallow in paint. Other miscellaneous uses of that kind show no use of tallow of any consequence. So there is no particular competition.

Mr. O'MAHONEY. Of course, my only purpose is to see that the amendment is so phrased that, if it is adopted, coconut oil will not become increasingly competitive with animal fats. That is all I am interested in.

Mr. HAYDEN. I am as much interested in that as is the Senator. I am also interested to see that coconut oil shall not come in competition with vegetable oils.

Mr. O'MAHONEY. Let me add vegetable oils, also.

Mr. HAYDEN. My purpose in this matter is simply to try to take off the American people a tax that there is no sense in their paying, which tax, after it is collected, is given to the Philippine Government, which does not need it.

Mr. O'MAHONEY. Mr. President, if we wish to grant an exception for two particular uses, would it not be better procedure to define those uses instead of opening wide the door to some use that we may not be able to foresee?

Mr. HAYDEN. I am not insistent about the matter. When the amendment is stated, if the Senator will prepare an amendment I shall be glad to consider it.

Mr. O'MAHONEY. Let me offer a perfecting amendment now.

Mr. HAYDEN. The committee amendment has not yet been submitted to the Senate.

Mr. CONNALLY. Mr. President, a point of order.

The PRESIDING OFFICER. The Chair calls the attention of the Senate to the fact that there are still two committee amendments which remain to be disposed of.

Mr. HAYDEN. I now ask, on behalf of the committee, that the amendments be submitted to the Senate.

The PRESIDING OFFICER. The committee amendments?

Mr. HAYDEN. Yes.

The PRESIDING OFFICER. The next committee amendment will be stated.

The CHIEF CLERK. On page 19, line 23, after the words "Treasury of the", it is proposed to strike out "Philippines." and insert "Philippines."

The amendment was agreed to.

The next amendment was, on page 19, after line 23, to insert a new paragraph, as follows:

"(f) Subsection (a) (1) of section 2470 of the Internal Revenue Code (I. R. C., ch. 21, sec. 2470 (a) (1)), is hereby amended by striking out the comma after the words 'coconut oil,' and inserting in lieu thereof the following: '(except coconut oil rendered unfit for use as food or for any but mechanical or manufacturing purposes as provided in paragraph 1732 of the Tariff Act of 1930), and upon the first domestic processing of.'"

Mr. CONNALLY. Mr. President, I make a point of order against the amendment.

The PRESIDING OFFICER. The Senator from Texas will state his point of order.

Mr. CONNALLY. I make the point of order that the amendment proposed is a revenue measure, and, under the Constitution, must originate in the House of Representatives. If the Chair desires argument, I can make an argument; but it is so patent that I feel no argument is necessary.

The PRESIDING OFFICER. The Chair will state to the Senator from Texas that the present occupant of the chair is always delighted to hear arguments from the Senator from Texas, but, under the long-established usage, practice and precedents of the Senate, a constitutional point is not de-

cided by the Chair, but is submitted to the Senate, and the present occupant of the chair will follow that practice.

Mr. CONNALLY. That is agreeable to me. I apprehended that ruling, and I consulted the parliamentary precedents.

The PRESIDING OFFICER. Is the Senator from Texas ready at this time for a vote on the question?

Mr. CONNALLY. I desire to submit some remarks to the Senate.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CONNALLY. Mr. President, of course, every Senator knows that this amendment affects revenue. It does not make any difference whether it raises revenue or lowers revenue, if the provision relates to the revenue it is a revenue matter, and, under the Constitution of the United States, all revenue bills and all revenue matters, unless affecting a bill coming from the other House and pending in the Senate, must originate in the House of Representatives and not in the Senate of the United States. So, under the ruling of the Chair, the Senate itself is to pass upon the question as to whether the point of order is good or whether it is bad.

All who have served in either branch of Congress know how important it is for each branch to respect the limitations and prerogatives of the other branch. I doubt not if this bill goes to the House, and this provision is contained in it, together with some other provisions that also relate to the revenue, the House of Representatives will not consider the bill—and very properly so—because that is the only way by which the House can require the Senate to observe the constitutional rule in regard to matters of this kind.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Idaho?

Mr. CONNALLY. I yield.

Mr. BORAH. Are there other provisions in the bill dealing with the question of the revenue?

Mr. CONNALLY. There are, and they all originated in the Senate; none came from the House.

Mr. BORAH. None came from the House?

Mr. CONNALLY. No; for the bill is not a House bill; it is a Senate bill. I shall say to the Senator from Idaho, to repeat what I said a moment ago, that there are several other provisions that relate to the revenue, and they all originated in the Senate committee. It is not a House bill at all; and such provisions have no business in the bill. I am sure the Senator from Idaho agrees with that statement, because he knows too well the Constitution and the history of legislative precedents to hold any other view. It is well established that any provision relating to the revenue, whether it raises a duty or lowers a duty—and this amendment, while it does not affect a duty, relates to a domestic processing tax, which is a tax, nevertheless, and it proposes to remove that tax—

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. O'MAHONEY. The Senator will probably be successful in his argument, but, unfortunately, I am necessarily called away from the floor for about half an hour or perhaps longer, and I desire now to offer the amendment which I was discussing with the Senator from Arizona so that it may be before the Senate in the event that the amendment is considered.

Mr. CONNALLY. I yield for that purpose, however, with the reservation that I may then proceed.

The PRESIDING OFFICER. As the Chair understands, the Senator from Texas yields to the Senator from Wyoming for the purpose of offering an amendment to the committee amendment?

Mr. O'MAHONEY. That is correct.

Mr. CONNALLY. Yes; but I shall make the point of order against the amendment as amended.

Mr. O'MAHONEY. The point of order goes against the amendment as amended.

Mr. CONNALLY. It goes against the amendment offered by the Senator from Wyoming as well as the amendment now pending. I do not yield to have the amendment added. I merely yield to have it offered and lie on the table.

Mr. O'MAHONEY. Certainly. At the proper time I shall ask that the committee amendment be perfected in line 4, page 20, by striking out the words "but mechanical or manufacturing purposes" and inserting in lieu thereof the words "use except in the manufacture of soap or of safety glass."

I thank the Senator for yielding.

The PRESIDING OFFICER. As the Chair understands the situation the Senator from Texas yielded only for the purpose of offering the amendment. His point of order goes to the committee amendment, and if the point of order should be sustained, of course, that would obviate the necessity of the Senator from Wyoming offering his amendment to the amendment.

Mr. O'MAHONEY. Certainly; and, as a matter of fact, I am rather inclined to agree with the Senator from Texas in his argument.

Mr. CONNALLY. Mr. President, I am a little disappointed that the Senator from Wyoming, who represents a great cattle-raising State—and the cattle growers are all opposed to this amendment—should seek to sugar-coat it so as to lessen its objectionable features to denature it, so to speak, in order to make it more attractive.

Mr. O'MAHONEY. I am not making it more attractive but making it less disadvantageous to the cattle interests of Texas as well as my own State.

Mr. CONNALLY. I am not for it in any form.

Mr. O'MAHONEY. I agree with the Senator in that regard.

Mr. CONNALLY. And when I am against an amendment, I do not want to make it more attractive to those who might be tempted to vote for it.

Mr. DANAHER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Connecticut?

Mr. CONNALLY. I yield.

Mr. DANAHER. I should like to ask the Senator from Texas a question as to whether or not the point of order he has raised would not apply to the whole bill.

Mr. CONNALLY. I have not made it to the whole bill. A point of order may be made at any time to any portion of the bill. I will say to the Senator that I have marked a number of provisions of the bill which I think are subject to a point of order, but I did not care to go through the bill seriatim. I was interested primarily in this particular amendment.

I desire to say that, aside from the constitutional argument, it is very bad policy and very bad precedent for either House to fail to observe the amenities that ought to control. What would the Senate think if the House undertook to pass on a treaty or raise a complaint about some confirmation which was within the exclusive jurisdiction of the Senate? Of course, we would take appropriate action to show our displeasure.

Mr. President, I desire to read briefly from the precedents. I read from Hinds' Precedents of Procedure in the House of Representatives:

The House having questioned a Senate amendment providing a tax on incomes on a nonrevenue bill, the Senate withdrew the amendment.

In other words, the Senate, when its attention was called to a tax provision that was in violation of the constitutional requirement that revenue matters shall originate in the House, respected the privileges of the House, and withdrew the amendment. That occurred on the 30th of June 1864.

Mr. Thaddeus Stevens, of Pennsylvania, submitted the resolution on the subject, which was as follows:

Resolved, That the amendment of the section, being section No. 12, added by the Senate to House bill No. 549, in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States, and is an infringement of the privileges of this House, and that the said bill, with the amendments, be respectfully returned to the Senate with a message communicating this resolution.

The House sent the bill back to the Senate; and the Senate recognized the propriety of the action of the House, and acquiesced in it.

The bill (H. R. 549) further to regulate and provide for the enrolling and calling out the national forces had been returned from the Senate with amendments, among which was No. 12, providing for a 5-percent duty on all incomes. * * *

Mr. Stevens said: "It is so clearly a violation of the privileges of the House that I think it ought not for a moment to be acquiesced in."

Without further debate the House agreed to the resolution.

The same day a message from the Senate announced that they, on reconsideration, had again passed the bill with all amendments previously concurred in except the section objected to by the House.

I do not want to weary the Senate but the precedents are uniform with respect to this question. I find here an argument by Senator Spooner, of Wisconsin.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. TYDINGS. Was this tax added to the original bill in the Senate or in the House?

Mr. CONNALLY. It was added in the Senate on a House revenue bill.

Mr. TYDINGS. I did not remember as to that.

Mr. CONNALLY. The tax was levied in 1934 on my motion when the Senate was considering a general tax bill, a revenue bill, and, under such a condition, the Senate has a right to amend a revenue bill. If the House sends to the Senate a revenue bill, the Senate, under the Constitution, has the explicit right to amend it. That is the way the tax was originally placed in the statute. It was placed there by an amendment offered by myself to a general revenue bill, not a Filipino bill.

Mr. President, I wish to take issue with the Senator from Arizona, however much I regret to disagree with him about any matter of general importance, on his statement regarding the great advantage of repealing this tax. The repeal of this tax will help nobody on earth except the soap manufacturers of the United States. They have been before the Committee on Finance repeatedly. I know them all. I see some of them in the gallery now. Did the price of soap change any after we put on this infinitesimal tax? Did soap cost any more a bar? Not a cent. That has been developed by the committee.

What are the facts? The facts are that every other country on earth has to pay 5 cents a pound on any coconut oil it sends into the United States. In the case of the Philippines we levy no tariff duties whatever on their coconut oil, but we simply levy this 3 cents a pound processing tax. The result has been that, under the law, the Philippines now have an absolute monopoly of the coconut-oil business in the United States. The figures here show that only 15,000 pounds, as I recall, come from other countries. I have the table here somewhere.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. FRAZIER. We not only levy the 3 cents a pound tax, but we return it to the Philippines after it is collected.

Mr. CONNALLY. It is one of the main sources of revenue of the Philippine government. The provision referred to by the Senator from North Dakota was made on motion of the Senator from Nebraska [Mr. NORRIS]. When we adopted this tax originally it was provided that the amount received from the processing tax on coconut oil should be handed over to the Philippine government, and the Philippine government is deriving a very substantial income from this particular tax. Its repeal is not asked for by the Filipino authorities. The Philippine government have not asked that this tax be repealed; because if they had, it would have been in the original bill, probably; but in conversation with representatives of the Philippine government I have been assured that they are not asking that this tax be repealed.

What are the facts? The Senator from Arizona says the importation of coconut oil is a great advantage to animal fats. He also says that the importations have not lessened in volume since the tax was imposed. If that is true, then the tax has had no effect on the importation. Importations have been coming in, so the Senator from Arizona says, all the time. If that is true, unless we get cheaper soap by

the bar, who is it going to benefit except Procter & Gamble and a few other soap manufacturers in the United States? Mr. Procter and Mr. Gamble are the chief advocates of the repeal of this tax, because they have been before the Finance Committee, as will be testified by other members, repeatedly, not once but at many sessions of the Congress. They have made a regular groove in the marble floors in the Senate Office Building by walking back and forth to the Finance Committee.

Who is on the other side in this fight? The soap manufacturers are on one side. I read from the American Farm Bureau Federation. They are opposed to this amendment. They say it benefited vegetable fats in the United States. Who else is opposed to it? I have here resolutions from the American Cattle Raisers' Association. They are opposed to this amendment. I have here a resolution from the Domestic Fats and Oils Conference, whose slogan is to protect and further the production of domestic fats and oils until such production reaches our domestic requirements. They are against this amendment.

It is said that this tax has done no good. Let me say to you, Senators, that when the tax was originally adopted it resulted within a very short period of time in raising the price of domestic fats and oils in the United States. I know that in the case of cottonseed the price of cottonseed advanced from \$18 a ton to practically \$30 a ton within a very short time after the levying of this tax; and it had a similar effect on other vegetable and animal fats in the United States.

Oh, but it is said that if the fat is rendered inedible, if it is denatured, it will do no harm. Let me say to you that experts appearing before the Finance Committee have testified that many of these oils and fats are interchangeable by chemical treatment. For instance, tallow may be inedible, or it may be edible. The point is made in these articles that if the tallow that is being used for inedible purposes is driven from soap making by the use of so much coconut oil, it is driven into the edible class.

Mr. HAYDEN. Mr. President, will the Senator yield at that point?

Mr. CONNALLY. Yes.

Mr. HAYDEN. Is the Senator aware of the source of inedible tallow in the United States?

Mr. CONNALLY. The Senator means where it comes from?

Mr. HAYDEN. Yes.

Mr. CONNALLY. No; not entirely.

Mr. HAYDEN. I can tell the Senator where it comes from.

Mr. CONNALLY. I shall be very glad to have the Senator do so.

Mr. HAYDEN. It comes principally from garbage cans. That is what this whole fight is about. Of the 702,000,000 pounds of inedible tallow which is shown on the table the Senator from Texas has in his hand, over 500,000,000 pounds came out of garbage cans. It is tallow that was recovered in that manner. That is to say, those who collect it go to hotels and to hospitals and to chain stores, they go everywhere that they can pick up scraps of meat of any kind, to render the tallow out of it. That is where 70 percent of the inedible tallow comes from.

It is claimed that there is competition between coconut oil and the tallow that comes from garbage. I should like to have the Senator, if he will be kind enough, explain to me how any cattle grower in Arizona or any cattle grower in Texas is benefited by gathering up garbage and taking the tallow out of that garbage and sending it to market. When we sell a steer in Arizona or Texas we sell him on foot. We sell him at his meat price, and that is the way we get our price for him. If the meat scraps are gathered up afterward and the tallow is pressed out of them, and that tallow goes to market, if it is doing anything it is competing against our livestock industry.

Mr. CONNALLY. I do not agree with that conclusion.

Mr. HAYDEN. I can prove conclusively that the great majority of the tallow that goes into soap is inedible, and

it would continue to be inedible. If they attempted to put it into food they would violate every health law we have in the United States.

Mr. CONNALLY. I do not know about the argument of the Senator.

Mr. NORRIS. Mr. President, will the Senator yield at that point?

Mr. CONNALLY. I yield.

Mr. NORRIS. I may be entirely wrong about this matter, but I am satisfied in my own mind that in the interruption the Senator from Arizona has just made he has been a little too harsh in calling this a garbage collection. My understanding differs somewhat from his. I do not believe it is right to say that this inedible tallow is taken out of a garbage can.

My understanding is that if the Senator from Texas should go into an ordinary butcher shop and buy some steak, the man who ran the butcher shop would weigh the steak. After he had weighed it he would cut off the ragged edges, he would cut off some tallow, and he would throw it not into the garbage can but into a receptacle containing it, being part of the steak which the Senator from Texas had purchased. A great deal of that tallow accumulates in the course of the day. I do not believe it is thrown into the garbage can. If the steak went to a hotel, and the hotel employees were going to prepare it for food in the dining room, they would probably cut off some more tallow. Perhaps the original butcher had left some straggling pieces on it. The hotel employees would cut off some more of the same steak that the Senator had bought and paid for, including the part of the steak that had been cut off which he did not get, and the hotel would accumulate that kind of material. The employees would not throw it into the garbage can. It has some value. The butcher does not throw it into the garbage can. It is purchased without ever going into a garbage can. I do not believe anybody goes around and looks over garbage cans and picks out anything that might be useful.

Mr. HAYDEN. Will the Senator agree, though, that once having been cast aside, that kind of fat should not again be made edible? That is the whole point.

Mr. NORRIS. That may be true or it may not be true. Some customers do not want any of the tallow cut off. They want it left on. They want it there when the steak is wrapped up, and in that case the butcher, of course, would leave it on; but the steak looks better without part of the tallow, it makes a nicer looking piece of meat, and most of the persons who purchase meat probably do not use that part of it. They themselves might throw it away. That might be true, but the tallow is not something that is confined to the garbage can because of any inferiority that it possesses. It is just as clean as the steak itself. It is accumulated by the butcher, and he sells it. After having once sold it as steak he sells it again.

I am only raising the point that the term "garbage can" has a harsh sound. I do not believe it is properly applied in this instance by the Senator from Arizona.

That is all I wanted to say.

Mr. CONNALLY. I thank the Senator from Nebraska very much, because if the tallow is good when it came off the meat in the shop, when it is trimmed off, there is no reason why it should not be just as edible as the piece next to it that was left on the steak. I do not know how much of it goes into the garbage can; but that is beside the question.

Mr. President and Senators, I want to revert for just a moment to another matter. I do not see how any Senator can contend that this is not a revenue provision.

Allow me again to refer to the precedents:

Senator SPOONER—

That was John C. Spooner, of Wisconsin—

Senator SPOONER. Mr. President, I wish to say a word, and only a word, about this matter. I never supposed when the act was passed that the draw-back clause included wheat and some other items. But I cannot agree with the Senator from Alabama, and I do not quite agree with the Senator from Ohio, although I do not care to enter into a discussion of the question. I think the clause

of the Constitution which says "all bills for raising revenue shall originate in the House of Representatives" uses the word "raising" in a generic sense. I do not think it means simply raising duties. Oftentimes revenue is raised by lowering duties. I think it means, in a strict sense, affecting revenue * * * concerning revenue. The Constitution does certainly confer upon the House by that clause an exclusive right, so far as this class of measures is concerned. Tariff bills cannot originate in the Senate. That is an impossibility.

This is an agricultural appropriation bill.

Then he proceeds at great length, and at the conclusion the RECORD states:

On motion of Mr. Spooner, the passage and engrossment of the bill was reconsidered, and the objectionable amendment was disagreed to. The bill was then engrossed, read a third time, and passed; and then returned to the House of Representatives.

Mr. President, I shall not weary the Senate with more questions; but if any Senator has any doubt about it being a revenue measure, I shall ask the Senator from Arizona, while he is on his feet, whether he does not regard this as a revenue measure.

Mr. HAYDEN. I do not, and I propose to tell the Senate why.

Mr. CONNALLY. It does not affect the revenue?

Mr. HAYDEN. It does not affect the revenue in the sense used in the Constitution. This is a constitutional question, and constitutional questions are determined by the courts.

Mr. CONNALLY. Oh, no; we have a duty in that regard, as well as the courts.

Mr. HAYDEN. But this question has been raised a number of times in the courts—that bills raising revenue originated in the Senate and therefore were unconstitutional. I merely wish to read from a few Supreme Court decisions on that question. They are all based upon a statement made by Mr. Justice Story. This is what Mr. Story said—and I think he is a pretty good authority on the Constitution:

And, indeed, the history of the origin of the power already suggested abundantly proves that it has been confined to bills to levy taxes in the strict sense of the words, and has not been understood to extend to bills for other purposes which may incidentally create revenue.

Mr. CONNALLY. That was a bill affecting postage, was it not?

Mr. HAYDEN. This is Story on the Constitution.

Mr. CONNALLY. It was with respect to a bill in which the rates of postage were increased?

Mr. HAYDEN. No; this is Story on the Constitution.

Mr. CONNALLY. I know that—

Mr. HAYDEN. Then the Supreme Court quotes Mr. Story.

Mr. CONNALLY. I would rather the Senator would not take my time to read all those decisions.

Mr. HAYDEN. I understood the Senator yielded.

Mr. CONNALLY. I asked the Senator for his opinion, not Mr. Story's opinion. He says it is not a revenue measure.

Mr. HAYDEN. I do not think so.

Mr. CONNALLY. If it is not a revenue measure, and the Senator from Arizona says it is not a revenue measure, why does he provide for a repeal of the 3-cent tax? That is revenue, is it not? There is a domestic processing tax of 3 cents a pound. It has nothing on earth to do with anything in the Philippine Islands. The tax is levied, not when the article is imported, but after it comes to the United States and after it is processed in the United States. There is no matter relating to the internal affairs of the Philippine Islands, but it relates to a domestic, United States tax, and it takes the tax off.

Mr. President, I said the soap people were the ones who were making this argument. I have here a long printed argument, "Petition of soap industry to the Committee on Territories and Insular Affairs in support of the amendment of Senator HAYDEN relating to coconut oil. John B. Gordon, secretary." I will not read it all. Nobody is interested, so far as I can discover, except the soap manufacturers. Have they reduced the price of soap? They have not. Will they reduce the price of soap? They will not. We hear statements about lauric acid, it being said that no other oil contains any lauric acid except coconut oil. Very well. This coconut oil is imported in the same volume with the tax or

without the tax. If that be true, no one is hurt by the tax except the soap people, who want larger profits.

How much was it Procter & Gamble paid their president last year? There was some testimony before the Committee on Finance as to what they paid the president of the company. I cannot recall the figure now, but I shall check up on it and insert it in the RECORD. I am sure that Procter & Gamble's representative, who is in the gallery, will be glad to tell me about it when the session is over. [Laughter.]

Mr. President, the tax has resulted in benefit to domestic vegetable and animal fats. At least it has convinced the representatives of every farm organization I know of, such as the Grange and the American Farm Bureau Federation. The dairy representatives are here asking that this tax be retained; the representatives of the cattle associations are here asking that the tax be retained; the representatives of the fishing industry of the United States, who manufacture fish oil, are here asking that the tax be retained. It is now up to the Senate.

Mr. President, I shall insist on a vote on the point of order on the ground that this is an amendment affecting the revenue and therefore is not to be considered in the Senate but must originate in the House of Representatives.

Mr. HAYDEN. Mr. President, let us see what the effect would be if the Senate should adopt the amendment and it turns out to be an amendment affecting the revenue. Similar instances have happened a great many times in the history of this Government. The Senate, believing that it was acting within the Constitution, would pass a bill, and the House in its judgment would say we did not have a right to do it because it violated a provision of the Constitution. So they would send the bill back to us, and there would be no legislation unless it originated in the House.

In this case the House at least would have the advantage of knowing what the Senate thought about the legislation. No harm can come to anyone if we act favorably upon the amendment. No harm can come to the Senate. We cannot offend anyone. The most the House can do will be to say, "We will not consider the bill you sent over to us."

This whole constitutional provision in practice is more or less of a farce, as the Senator from Texas has pointed out. The House can pass any kind of a minor revenue bill, and we can attach a whole tariff bill to it, because the House has first acted on some item of revenue legislation.

I insist that this is not a revenue measure such as the House would object to, for the very good reason the Senator from Texas pointed out, except that he did not state all the facts. This is a revenue measure for the Philippine government, but not for our Government. I have the facts here. We have collected in 4 years, from 1935 to 1938, inclusive, \$65,533,000, which we have sent back to the Philippine Islands. That is not American revenue, it is Philippine revenue which we collected and gave to them. The only kind of revenue that could be affected would be revenue which would go into our own Treasury.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. VANDENBERG. I am particularly anxious to get some information on that precise point.

Mr. HAYDEN. Very well.

Mr. VANDENBERG. I understand the pending bill is intended to stabilize the Philippine economy, to facilitate their safe independence ultimately. I also understand that the tax revenue the Senator is proposing to take away from them represents one-third of their budgetary income. I should like to know whether any consideration has been given to what this would do to the finances of the Philippine Islands, whether or not we would be unstabilizing them at one point when we were proposing to stabilize them at another.

Mr. HAYDEN. The Senator is mistaken in that respect, because the American collections of the 3-cent tax on coconut oil does not constitute one-third of the Philippine revenues. But that has nothing to do with the point of order. It only strengthens my objection to the point of order, in that it is Philippine revenue we are dealing with and not American revenue. What American revenue is affected by the amendment?

Mr. VANDENBERG. Mr. President, if the Senator will permit further—

Mr. HAYDEN. I yield.

Mr. VANDENBERG. Let me inquire whether any consideration has been given to the effect of this proposed repeal upon Philippine revenue.

Mr. HAYDEN. Certainly I gave consideration to it, and, of course, I would not urge it if I thought it would result in wrecking the Philippine government. If the Philippine budget is to be balanced and kept in balance—as it has been; Frank Murphy attended to that when he was the Governor General over there—and if it depends upon our continuing to collect taxes from the American people in order to balance it, then I think it is time to consider whether we want to keep on taking money out of the pockets of our people to balance the Filipino budget.

Mr. VANDENBERG. Precisely, but that is a totally different matter.

Mr. HAYDEN. Not at all. The Philippine government has always raised sufficient revenue by taxing their own people.

Mr. VANDENBERG. The Senator is proposing an amendment to assist the Philippine Islands, but I want to know whether it assists them to take away one-third of their revenue.

Mr. HAYDEN. All I am proposing to do is to take away two-thirds of \$16,000,000. One-third of the tax will continue to be collected on the coconut oil that is edible, which will amount to five or six million dollars to be remitted to the Philippine government. I am not proposing to disturb that, but I am proposing that the tax on the inedible oil be reduced. It means that instead of transmitting some \$16,000,000 we will send five or six million to the Philippine Islands, a saving of \$10,000,000 to the American people.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. NORRIS. The Senator is now making the point that this is not a measure for raising revenue for the United States but for the Philippine Islands.

Mr. HAYDEN. That is correct.

Mr. NORRIS. I do not believe it would be any less a revenue measure because we would, after we had collected the money, give it back to the Philippine Islands. The Government of the United States has to collect the revenue, it does everything just the same as it does with any other revenue, but after it has collected it, it uses it for a special purpose. The constitutional provision does not apply any more to that kind of a case than though we use the money for relief, or for general governmental purposes. In other words, the Senator makes the point that the Constitution does not apply to this kind of revenue because we are going to pay it to the Philippine Islands when we get it. It seems to me perfectly clear that it is still a revenue measure, regardless of what we do with the money when we collect it, and that, as a matter of the constitutionality of the particular provision, what we are going to do with the money after we get it has nothing to do with it.

Mr. HAYDEN. I am not a lawyer, but I am just looking at the question in a common-sense way, that if we are collecting a tax for the American people and giving it to the Philippine government, certainly it is not revenue which helps to maintain the American Government.

Mr. NORRIS. The Constitution does not provide it has to be revenue that will help to maintain the American Government. The Constitution imposes no limitation whatever. It is our money after we collect it. We can do with it what we please. The Government collects the money just the same as though it were going to put it in its pocket. The fact that the measure which provides for levying the tax also contains a provision as to what shall be done with the money does not make it constitutional to originate the measure in the Senate, as I see it.

Mr. HAYDEN. There is a constitutional question here as to the tax collected from the other American possessions. There is a 3-cent tax collected on coconut oil which comes from Guam or from American Samoa. That amounted to an average of \$188,000 a year. Then there is a 5-cent tax col-

lected on coconut oil from all over the world which amounted to \$65,000 a year. That makes a total of about \$250,000 a year.

In my simple businessman way of reasoning things, if for every \$1 of revenue that we lose \$64 is collected and sent to the Philippines, it seems to me that this is not a revenue measure, and that we have to adopt a strictly legalistic definition of what is revenue if we do not look to the practical effect of where the money goes after we collect it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BARKLEY. The thing which bothers me in connection with this subject is the language of the Constitution itself, which does not seem to draw any distinction concerning what sort of a revenue bill it is, or what sort of a tax it is, or the purpose for which the money is to be expended. It simply says that all bills for raising revenue shall originate in the House of Representatives. If this is a bill for raising revenue, no matter what happens to the revenue after it is raised, I would feel that probably we had no jurisdiction to originate it.

Mr. HAYDEN. I should be inclined to agree with that statement.

Mr. BARKLEY. That raises the question whether a bill, one of whose purposes is something else than to raise revenue, but has revenue-raising provisions in it, still comes within the constitutional provision. I am afraid it does, to be perfectly frank with the Senator. Is it necessary to have these revenue provisions in the bill?

Mr. HAYDEN. Oh, yes.

Mr. TYDINGS. Mr. President, the trouble is that some of the revenue provisions were put in the original bill, and incidentally the original bill originated in the Senate.

Mr. BARKLEY. Does the Senator mean the original Philippine bill?

Mr. TYDINGS. Yes.

Mr. BARKLEY. That question may not have been raised, and the fact that it was not raised does not preclude it from being raised at any time in the future, if it is a good point.

I will say to the Senator that the other body has sometimes been a little squeamish with respect to its jurisdiction over revenue bills. I think sometimes there has been very serious doubt whether a bill was a revenue bill. Recently we had a discussion of that subject in connection with a measure which did not raise any revenue, but it proposed to amend a revenue bill, and amend it in an entirely different particular. It had nothing to do with revenue. But the House took the position that inasmuch as it was an amendment to a bill which originated in the House, and carried revenue provisions, although our amendment did not touch the revenue, it was still outside of our jurisdiction to inaugurate.

Mr. HAYDEN. Mr. President, here is the case of the *Twin City Bank v. Nebeker* (167 U. S. 196), a case which was passed on by the Supreme Court of the United States. I will not read the whole opinion. At one point it says:

It is sufficient in the present case to say that an act of Congress providing a national currency secured by a pledge of bonds of the United States, and which, in the furtherance of that object, and also to meet the expenses attending the execution of the act, imposed a tax on the notes in circulation of the banking associations organized under the statute, is clearly not a revenue bill. * * *

The bill levied a tax to raise revenue, but it was not a revenue bill. The primary purpose of the pending bill is to adjust the differences between the United States and the Philippines in their commercial relations.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CONNALLY. Is it not true that in the case from which the Senator just read the primary purpose was to regulate the bank, and as an incident to the service they levied a fee or charge on these notes, just the same as in the case of the bank examiner who comes around and examines the banks, for which a charge is made? But that is not revenue. That is not the purpose of the legislation at all. It is just an incident in the execution of the

general regulatory power. But here they boldly and openly and defiantly urge that the legislation is for the purpose of affecting the revenues.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. HAYDEN. I yield.

Mr. BORAH. The very object of the amendment is to change the revenues, is it not?

Mr. HAYDEN. No, Mr. President. The object of the amendment, as I see it, is to avoid taking money away from the American people and giving it to the Philippines.

Mr. BORAH. Yes; but in order to do that a change in the revenue law must be effected.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McKELLAR. I may call attention to the wording of the bill:

Subsection (a) (1) of section 2470 of the Internal Revenue Code * * * is hereby amended.

The Senator in terms is proposing to amend the revenue act of the country, and of course it affects the revenue.

Mr. HAYDEN. Yes. I think if the bill goes back to the House with this amendment it will not be the only objection to it, because the same thing was done, as has been pointed out, in other places of the bill. We cannot get into the broad subject of the relationship between the United States and the Philippine Islands without in some manner changing a tariff or a revenue law, and if we are to take this view then no legislation can be initiated in the Senate at all. It has to be begun only in the House.

Mr. BORAH. That might very well be true, but the Senate could not initiate the legislation with regard to the Philippines if the legislating in regard to the Philippines changed the revenues of the country. That would have to be done in the House. The control with respect to the question is whether or not you are dealing with the question of revenue, and if you stick it onto another bill dealing with any other kind of a proposal my opinion is that with the experience we have had here the House will send it back.

Mr. HAYDEN. What harm would it be?

Mr. BORAH. There would be no harm if they sent this bill back.

Mr. HAYDEN. After all, it will not do a bit of harm. If out of perhaps an excess of enthusiasm for some subject we pass a bill and the House does not like it, they do not have to pass it. We have the same privilege here with respect to bills originating in the House. It is a mere formality.

Mr. McKELLAR. No; we are sworn to uphold and defend the Constitution of the United States. The Senator cannot regard it as a formality.

Mr. HAYDEN. I would not. And as a matter of fact I do not think that we are in any way affecting the Federal revenues in the present case.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. SMATHERS. Will the Senator indulge me with an explanation as to who will be benefited if we remove the tax? Will the resulting benefit be passed on to the consuming public, or will it go to the soap manufacturers?

Mr. HAYDEN. The statement has been made, and I have seen it in all this lobbyist literature which has been sent to Senators, that when this tax was imposed the price of soap was not increased in the United States. The best evidence that such statements are not true was what was brought out in the hearings on the tax on fats and oils before the Committee on Finance of the United States Senate. Here are charts made by the Bureau of Labor Statistics of the Department of Labor, showing the wholesale prices of soaps, and in each case, after the tax was levied, the price of soap was increased. If the Senator will look on pages 344, 345, 346, and 347 of the hearings before the Senate Committee on Finance he will see that in every case after 1934 the price of soap of every kind in the United States went up. Why

did it go up? Because the manufacturers had to pay more for their coconut oil.

The Senator from Texas mentioned Procter & Gamble. The only person connected with Procter & Gamble I ever talked to was their attorney, who happened to be on the ship with me when I went to the Philippine Islands—Mr. Frank Dinsmore from Cincinnati.

Mr. CONNALLY. The Senator understands that I did not make any intimation of anything improper.

Mr. HAYDEN. No; I understand that, but I stated where I received the information. He said that so far as Procter & Gamble was concerned, with the wide advertising that they had of Ivory Soap, it was a matter of indifference to them whether this tax was on or off, because they were going to use the coconut oil anyhow, and they would add the tax to the cost of the Ivory Soap. That is exactly what they have done, and the proof of it is these charts from the Bureau of Labor Statistics, showing that after the tax was levied the price of all kinds of soap in the United States did go up.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CONNALLY. That was the wholesale price, was it not?

Mr. HAYDEN. Surely.

Mr. CONNALLY. Here is some testimony also on that subject before the Committee on Finance of the United States Senate. Someone representing the farm group testified as follows:

However, one of the remarkable things about the soap industry, one of the mysterious things, is that from 1926 through and including 1928 the price of laundry soap has not varied as much as a cent a pound. For each of the years 1934, 1935, 1936—

The years given in the testimony must have been 1936 and 1938.

Mr. HAYDEN. Who was the witness?

Mr. CONNALLY. I think it was Mr. Loomis.

Mr. HAYDEN. Mr. Loomis is the lobbyist who represents those who gather inedible fats from the garbage cans.

Mr. CONNALLY. He represents all those who deal in fats.

Mr. HAYDEN. No; his principal clients are those who gather up the scraps of fats throughout the United States. They are the people who are paying Mr. Loomis.

Mr. CONNALLY. I cannot agree to that. But I know he is not on the soap end of it, because he fights the soap people.

Mr. HAYDEN. I read that testimony by Mr. Loomis and then called up the Bureau of Labor Statistics in the Department of Labor, and said, "I have seen this remarkable statement that there was no increase in the price of soap after the excise tax on coconut oil was imposed. That statement has been repeated by a number of agricultural leaders. How could that be?" They told me that they could not understand it, because there had been increases in the price of soap, both wholesale and retail, since 1934. So the Senator is quoting a very unreliable witness.

Mr. CONNALLY. I know the testimony will not suit the Senator. This is what it says:

For each of the years 1934, 1935, 1936, 1937, and 1938 the official price quotation was 4.067 cents per 11-ounce cake.

I presume that is the retail price. When one goes to the store and buys one cake of soap it costs him, on an average, 4.067 cents. At any rate it is the official price.

During those years the prices of the materials, both the hard fats and the soft fats, have varied considerably with the producers. At the same time laundry soap prices have not varied materially from 1929 to 1938.

This large soap company—Procter & Gamble—has made substantial profits ranging from \$19,000,000 in 1929 down to a low of nine-million-and-odd dollars in 1932, up to a possible high of \$26,803,000 in 1937, and back to \$17,439,000 in 1938.

I shall not consume more of the time of the Senate at this moment.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. In connection with the statement just made by the Senator from Texas, let me give the prices of

coconut oil since 1930. Before I do, let me say that coconut oil enjoys a special freight rate. I quote freight rates on vegetable oils in carload lots:

Interstate Commerce decision for Louisiana ports, Jan. 6, 1938, Order No. 169621; Interstate Commerce decision for Gulf and eastern ports, Nov. 27, 1936, Order No. 161891

From—	To Cincinnati, Ohio				To Chicago, Ill.			
	Mileage	Freight on domestically produced oils	Freight on foreign-produced oils		Mileage	Freight on domestically produced oils	Freight on foreign-produced oils	
			A	B			A	B
New Orleans, La.	836	Cents 56	31	28	915	Cents 58	39	35
Mobile, Ala.	739	52	33½	30½	864	56	39	36
Savannah, Ga.	715	51	33½	30½	991	62	39	36
Jacksonville, Fla.	806	55	33½	30½	1,060	65	39	36
Charleston, S. C.	701	51	33½	30½	977	61	39	36
Baltimore, Md.	559	38	31	31	767	46	39	39
Norfolk, Va.	658	41	31	31	914	49	38½	38½

Mr. TYDINGS. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I do not have the floor. In just a moment I will be through with my questions.

The PRESIDING OFFICER. The Senator from Arizona [Mr. HAYDEN] has the floor. Does the Senator from Arizona yield; and if so, to whom?

Mr. HAYDEN. I shall be very glad to have such prices put into the Record.

Mr. ELLENDER. The coconut-oil prices from 1930 to 1938, per pound, are as follows: 1930, 7.3 cents; 1931, 5.3 cents; 1932, 4.5 cents; 1933, 4.2 cents; 1934, 3.9 cents; 1935, 4.7 cents; 1936, 5.3 cents; 1937, 6.3 cents; and in 1938, 3.4 cents. I ask the Senator from Arizona what fluctuation there has been in the price of soap from 1930 to 1938. With such variations in price soap should have sold much cheaper at times, but I wager the record shows no variation in prices.

Mr. TYDINGS. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. TYDINGS. I hope the Senator will not think I am captious, or desire to cut off the argument. However, it seems to me the question whether the amendment is good or bad has no place in this argument.

Mr. HAYDEN. I agree.

Mr. TYDINGS. Obviously, until we decide whether or not the amendment is a revenue measure, the other argument is incidental. If it is decided that it is not a revenue

measure, then the arguments pro and con can properly be presented. However, if it is decided that it is a revenue measure, and not properly in the bill, we shall have consumed in debating the merits much time which we might otherwise save. I was only going to suggest—with an apology, of course—that if Senators care to discuss the merits of the constitutional question, that is one thing. However, we are not getting anywhere when we discuss the merits of the proposal as detached from the constitutional question.

Mr. HAYDEN. Mr. President, I entirely agree with what the Senator from Maryland has said. I would not have gone outside the constitutional argument except that certain statements were made which are not in accord with the facts as I understand them to be.

Mr. ELLENDER. Should the point of order made by the Senator from Texas be not maintained, I desire to further discuss the provisions of the bill.

Mr. HAYDEN subsequently said: Mr. President, during the course of my remarks I promised to insert certain tables in the Record. I should like permission to do so, and to have them printed as exhibits at the end of my remarks.

The PRESIDING OFFICER. Without objection, permission is granted.

The tables referred to are as follows:

EXHIBIT A

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, March 18, 1939.

FACTORY CONSUMPTION OF ANIMAL AND VEGETABLE FATS AND OILS, BY CLASSES OF PRODUCTS, FOR 1938

The distribution of primary animal and vegetable fats and oils consumed in factory operations in the United States during the calendar year 1938, by classes of products in which used, is presented in the tabular statement below. Data for oleo stock were not collected; hence the secondary products, edible animal stearin, and oleo oil are shown. The statistics were compiled from the quarterly reports of the several concerns to the Bureau of the Census, supplemented by special statements covering the entire year for those manufacturing more than one class of products.

The total consumption in all industries for each item is the same as given in the bulletin for 1938, except for those vegetable oils for which the crude and refined products are indicated in the questionnaire, namely, cottonseed, peanut, coconut, corn, soybean, palm-kernel, palm, and babassu oils. For each of these a net consumption was arrived at by deducting from the total of both crude and refined consumed the quantity of refined produced.

Oils subjected to the process of hydrogenation or other treatment for special uses were reported as consumed in the products for which intended. For example, oils treated for soap manufacture were entered in the column headed "Soap" and oils intended for edible purposes were entered in one or more of the columns covering edible products. The ultimate uses of the primary oils are designated in this way.

Factory consumption of primary animal and vegetable fats and oils, by classes of products, calendar year 1938
[Quantities in thousands of pounds]

Kind	Total	Shortening	Oleomargarine	Other edible products	Soap	Paint and varnish	Linoleum and oilcloth	Printing inks	Miscellaneous products	Loss including foots
Total	4,634,135	1,512,299	310,936	377,055	1,468,535	357,625	85,362	21,884	264,877	235,562
Cottonseed oil	1,528,805	1,040,162	142,857	198,155	2,883	184	—	168	2,971	141,425
Peanut oil	62,461	52,402	3,593	1,920	545	—	—	—	32	3,969
Coconut oil	555,017	26,199	89,521	61,493	342,982	422	—	2	3,572	30,826
Corn oil	72,770	399	566	57,104	2,514	118	—	—	3,345	8,724
Soybean oil	243,613	143,318	39,885	11,280	10,897	15,183	3,605	59	5,340	14,046
Olive oil	—	—	—	—	—	—	—	—	—	—
Edible	2,990	—	—	2,850	31	—	—	—	109	—
Inedible	4,248	—	—	1,299	—	6	—	—	2,943	—
Sulfur oil or olive foots	15,378	—	—	15,013	—	—	—	—	365	—
Palm-kernel oil	51,962	614	4,746	13,118	29,498	—	—	—	40	3,946
Palm oil	253,150	115,033	—	444	91,642	1	—	9	19,905	26,116
Babassu oil	32,468	950	11,545	8,969	8,289	—	—	—	24	2,715
Sesame oil	7,568	5,435	—	1,573	302	—	—	—	234	—
Rapeseed oil	5,317	297	—	—	55	131	2	1	4,831	—
Linseed oil	298,481	6	—	1,455	216,568	55,395	16,804	8,253	—	—
Tung oil	87,415	—	—	—	78,310	4,131	2,084	2,890	—	—
Perilla oil	32,649	—	—	—	23,528	6,952	1,762	407	—	—
Castor oil	28,160	—	—	—	1,810	5,283	1,313	200	19,554	—
Other vegetable oils	31,952	695	70	6,525	14,031	1,912	115	106	7,304	1,194
Lard	9,925	2,825	1,464	5,518	1	—	—	2	20	95
Edible animal stearin	41,616	32,845	3,278	5,074	240	—	—	—	144	35
Oleo oil	14,235	291	13,411	40	119	2	—	—	323	49
Tallow	—	—	—	—	—	—	—	—	—	—
Edible	78,320	74,251	—	2,992	332	—	—	2	557	186
Inedible	764,041	—	—	—	702,267	117	—	4	61,437	216
Grease	182,767	—	—	—	96,356	144	1	420	85,083	763
Neat's-foot oil	4,757	—	—	—	20	9	—	2	4,726	36
Marine animal oils	70,664	48	—	—	66,080	28	—	5	4,467	36
Fish oils	153,406	16,529	—	—	79,874	15,679	13,848	254	26,235	987

EXHIBIT B

DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS

[Extract from table 8]

Factory consumption of primary animal and vegetable fats and oils,
by classes of products, 1931-38
[Quantities in thousands of pounds]

Kind	Year	Total	Shorten- ing	Oleo- marga- rine	Other edible products	Soap
Total	1938	4,634,135	1,512,899	310,936	377,055	1,468,535
	1937	4,963,914	1,604,841	324,905	412,684	1,475,756
	1936	4,775,241	1,614,319	322,719	363,237	1,394,538
	1935	4,489,687	1,552,476	306,275	320,006	1,312,790
	1934	4,026,819	1,214,742	214,132	292,466	1,474,415
	1933	3,514,641	972,142	198,794	247,753	1,311,263
	1932	3,355,555	968,577	166,698	190,065	1,375,416
	1931	3,771,469	1,208,142	190,467	190,835	1,390,231
Cottonseed oil	1938	1,528,805	1,040,162	142,857	198,155	2,883
	1937	1,686,222	1,162,596	173,615	226,647	8,414
	1936	1,302,827	918,866	108,106	178,330	1,278
	1935	1,339,739	991,798	99,505	138,580	1,857
	1934	1,377,437	1,058,733	54,778	155,343	2,702
	1933	1,114,846	852,843	17,997	121,558	6,967
	1932	1,083,959	834,367	15,096	100,129	3,583
	1931	1,140,769	928,489	16,027	84,435	1,970
Tallow, inedible	1938	764,041			702,267	
	1937	675,918			613,509	
	1936	725,974			660,020	
	1935	718,357			663,002	
	1934	717,368			662,853	
	1933	566,731			508,824	
	1932	585,896			549,186	
	1931	566,328			523,714	
Coconut oil	1938	555,017	26,199	89,521	61,493	342,982
	1937	425,894	12,531	73,806	49,889	252,241
	1936	602,273	38,427	150,465	60,020	307,376
	1935	582,097	44,034	174,314	87,060	229,711
	1934	589,602	9,045	123,678	78,636	341,124
	1933	583,826	7,117	150,096	69,333	322,264
	1932	549,515	8,332	123,219	40,853	353,527
	1931	592,684	34,132	133,117	52,984	340,503
Palm-kernel oil	1938	51,962		614	13,118	29,498
	1937	144,041		47	21,294	111,514
	1936	44,104		627	12,490	26,443
	1935	57,125		825	14,895	37,273
	1934	22,601			4,608	16,516
	1933	15,962			7,757	6,278
	1932	16,615			11,310	3,565
	1931	54,059	158		22,579	28,035

EXHIBIT C

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF AGRICULTURAL ECONOMICS,
Washington, May 15, 1939.

EXTRACTS FROM BULLETIN FOS-27—THE FATS AND OILS SITUATION

TABLE 8.—Soap: Fats, oils, and rosin used in manufacture, United States, specified years, 1912-38

Fat or oil	1912	1914	1916	1917	1919
Hard oils (tallow class):					
Slow lathering:	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
Tallow, inedible	238,683	270,713	338,931	362,297	326,587
Whale and fish oils	11,030	15,876	12,852	13,308	13,555
Grease	76,479	84,573	102,134	114,016	33,871
Palm oil	7,546	10,000	14,938	27,245	17,268
Total	333,729	381,162	466,855	517,566	391,281
Quick lathering:					
Coconut oil	78,616	77,959	111,084	168,602	182,613
Palm-kernel oil	20,579	31,376	5,804	4,762	4,551
Total	99,195	109,335	116,888	173,364	187,164
Soft oils:					
Cottonseed oil foots	89,127	108,141	112,178	115,042	108,389
Olive oil, foots and in- edible	6,147	8,046	10,595	12,231	4,899
Red oil	8,723	10,275	10,230	12,812	24,205
Cottonseed oil	132,312	119,254	194,916	126,390	56,130
Soybean oil	1,182	4,499	57,373	124,058	58,401
Corn oil	9,822	11,368	12,821	15,997	2,235
Peanut oil	31	76	1,181	15,126	3,055
Miscellaneous soap stock	25,000	25,000	25,000	25,000	60,653
Other	35,883	41,517	48,758	64,094	41,111
Total	308,227	328,176	473,052	510,750	359,078
Total fats and oils	741,151 (200,000)	818,673 185,310	1,058,795 (175,000)	1,201,680 (150,000)	937,523 119,529
Rosin					
Total saponifiable materials	941,151	1,003,983	1,233,795	1,351,680	1,057,052

See footnotes at end of table.

EXHIBIT C—Continued

TABLE 8.—Soap: Fats, oils, and rosin used in manufacture, United States, specified years, 1912-38—Continued

Fat or oil	1921	1922	1923	1924	1925
Hard oils (tallow class):					
Slow lathering:	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
Tallow, inedible	373,223	429,966	412,749	428,881	390,789
Whale and fish oils	37,613	90,505	73,269	67,781	98,940
Grease	136,322	161,985	160,167	292,123	242,466
Palm oil	24,386	30,339	102,323	82,250	119,400
Vegetable tallow			8,548	5,198	6,424
Total	571,544	712,845	757,056	876,233	858,019
Quick lathering:					
Coconut oil	194,417	237,702	267,982	260,000	286,000
Palm-kernel oil	593	685	3,287	4,440	45,037
Total	195,010	238,387	271,269	264,440	331,037
Soft oils:					
Cottonseed oil foots	76,018	61,966	52,676	77,214	109,824
Olive oil, foots and in- edible	16,609	21,735	28,641	32,024	49,083
Red oil	13,149	10,431	12,233	14,000	14,000
Cottonseed oil	47,935	19,759	10,824	10,000	8,000
Soybean oil	10,756	2,307	3,266	2,500	2,250
Corn oil	2,405	4,941	5,617	5,000	5,000
Peanut oil	10,983	6,711	6,900	5,000	
Miscellaneous soap stock	22,104	21,130	24,753	15,000	18,000
Other	24,048	19,169	22,334	20,000	20,000
Total	224,007	168,149	167,244	180,738	226,157
Total fats and oils	990,561 (100,000)	1,119,381 141,350	1,195,569 143,378	1,321,411 104,956	1,415,213 140,615
Rosin					
Total saponifiable materials	1,090,561	1,260,731	1,338,947	1,426,367	1,555,828

Fat or oil	1926	1927	1928	1929	1930
Hard oils (tallow class):					
Slow lathering:	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
Tallow, inedible	430,886	484,029	440,943	434,755	442,610
Whale and fish oils	111,673	135,540	142,220	134,107	113,829
Grease	242,424	242,712	261,454	245,516	243,944
Palm oil	100,960	112,460	142,363	192,331	191,956
Vegetable tallow	2,477	5,688	7,262	10,211	6,042
Total	888,420	980,438	994,242	1,016,920	998,381
Quick lathering:					
Coconut oil	270,206	334,765	335,417	334,205	303,271
Palm-kernel oil	83,653	31,248	50,578	72,920	29,431
Total	353,859	366,013	385,995	407,125	332,702
Soft oils:					
Cottonseed oil foots	118,727	147,511	105,205	103,904	103,360
Olive oil, foots and in- edible	52,206	48,190	48,060	53,629	49,842
Red oil	15,000	15,000	15,000	15,000	12,000
Cottonseed oil	5,000	7,500	20,000	12,000	7,500
Soybean oil	2,500	2,500	2,500	6,400	5,000
Corn oil	5,000	5,000	5,000	5,000	4,000
Peanut oil	3,000	2,000	3,000	1,700	1,500
Castor oil				4,835	
Linseed oil				1,916	
Miscellaneous soap stock	22,000	32,000	35,660	35,112	30,415
Other	20,000	20,000	20,000	20,000	15,000
Total	243,433	279,701	254,425	264,496	228,617
Total fats and oils	1,485,712	1,626,152	1,634,663	1,688,541	1,559,700
Rosin	118,257	100,227	91,269	114,300	109,484
Total saponifiable materials	1,603,969	1,726,379	1,725,932	1,802,841	1,669,184

Fat or oil	1931	1932	1933	1934	1935
Hard oils (tallow class):					
Slow lathering:	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
Tallow, inedible	523,714	549,186	508,824	662,858	663,002
Whale and fish oils	127,095	98,035	97,063	98,544	138,410
Grease	129,403	143,724	124,743	142,782	98,086
Palm oil	172,228	168,009	187,962	154,704	87,311
Tallow, edible	1,494	1,969	2,389	1,098	1,431
Oleostearine	53	374	362	452	338
Lard				24	1
Vegetable tallow	3,256	511			
Total	957,243	961,808	921,343	1,060,462	988,579

See footnotes at end of table.

EXHIBIT C—Continued

TABLE 8.—Soap: Fats, oils, and rosin used in manufacture, United States, specified years, 1912–38—Continued

Fat or oil	1926	1927	1928	1929	1930
Hard oils (tallow class)—Continued.					
Quick lathering:					
Coconut oil.....	340,503	353,527	322,264	341,124	229,711
Palm-kernel oil.....	28,035	3,565	6,278	16,516	37,173
Total.....	368,538	357,092	328,542	357,640	266,884
Soft oils:					
Cottonseed oil foots and other foots ¹	152,000	152,000	145,000	141,000	191,000
Olive oil, foots and inedible.....	41,076	32,780	33,879	32,364	33,197
Soybean oil.....	3,816	5,571	4,235	1,354	2,549
Cottonseed oil.....	1,970	3,583	6,967	2,702	1,857
Corn oil.....	4,104	2,532	3,638	6,268	2,828
Castor oil.....	2,829	2,408	2,090	1,786	1,056
Linseed oil.....	1,488	985	980	1,022	1,196
Peanut oil.....	244	290	529	147	754
Sesame oil.....	8,197	1,871	758	466	749
Oleo oil.....	446	260	112	85	93
Rape oil.....		89	39	994	8,001
Olive oil, edible.....	14	52	61	51	33
Neat's-foot oil.....	33	27	20	61	33
Perilla oil.....					16
Tung oil.....			5	35	
Sunflower oil.....			7,889	7,142	103
Other ⁴	230	6,059	176	1,836	4,762
Total.....	216,450	208,516	206,378	197,313	248,227
Total fats and oils.....	1,542,231	1,527,416	1,456,263	1,615,415	1,503,090
Rosin ⁵	119,934	130,675	132,086	141,732	139,375
Total saponifiable materials.....	1,662,165	1,658,091	1,588,349	1,757,147	1,643,065

Fat or oil	1936	1937	1938
Hard oils (tallow class):			
Slow lathering:			
Tallow, inedible.....	1,000 lbs.	1,000 lbs.	1,000 lbs.
Whale and fish oils ¹	660,020	613,509	702,267
Grease.....	160,647	189,009	145,954
Palm oil.....	98,714	94,247	96,356
Tallow, edible.....	78,453	141,358	91,642
Oleostearine.....	228	143	332
Lard.....	320	321	240
Other ²	9		1
Total.....	998,391	1,038,587	1,036,792

See footnotes at end of table.

TABLE 9.—Soap: Fats, oils, and rosins used in manufacture as percentage of total saponifiable materials, United States, specified years, 1912–38

Fat or oil	1912	1914	1916	1917	1919	1921	1922	1923	1924	1925	1926	1927
Hard oils (tallow class):												
Slow lathering:												
Tallow, inedible.....	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Whale and fish oils.....	25.4	27.0	27.5	26.8	30.9	34.2	34.1	30.8	30.1	25.1	26.9	28.0
Grease.....	1.2	1.6	1.0	1.0	1.3	3.5	7.2	5.5	4.8	6.4	7.0	7.9
Palm oil.....	8.1	8.4	8.3	8.5	3.2	12.5	12.8	12.0	20.5	15.6	15.1	14.1
Other ¹.....	.8	1.0	1.2	2.0	1.6	2.2	2.4	7.6	5.8	7.7	6.3	6.5
Total.....	35.5	38.0	38.0	38.3	37.0	52.4	56.5	56.5	61.6	55.2	55.5	56.8
Quick lathering:												
Coconut oil.....	8.4	7.8	9.0	12.5	17.3	17.8	18.9	20.0	18.2	18.4	16.8	19.4
Palm-kernel oil.....	2.2	3.1	.5	.4	.4	.1	.1	.3	.3	2.9	5.2	1.8
Total.....	10.6	10.9	9.5	12.9	17.7	17.9	19.0	20.3	18.5	21.3	22.0	21.2
Soft oils:												
Cottonseed oil foots.....	9.5	10.8	9.1	8.5	10.3	7.0	4.9	3.9	5.4	7.1	7.4	8.5
Olive oil, foots, and inedible.....	.6	.8	.9	.9	.5	1.5	1.7	2.1	2.2	3.1	3.2	2.8
Red oil.....	.9	1.0	.8	.9	2.3	1.2	.8	.9	1.0	.9	.9	.9
Soybean oil.....	.1	.4	4.6	9.2	5.5	1.0	.2	.3	.2	.1	.2	.1
Cottonseed oil.....	14.1	11.0	15.8	9.4	5.3	4.4	1.6	.8	.7	.5	.3	.4
Other ²	7.5	7.7	7.1	8.8	10.1	5.4	4.1	4.5	3.0	2.8	3.1	3.5
Total.....	32.7	32.6	38.3	37.7	34.0	20.5	13.3	12.5	12.5	14.5	15.1	16.2
Total fats and oils.....	78.8	81.5	85.8	88.9	88.7	90.8	88.8	89.3	92.6	91.0	92.6	94.2
Rosin.....	21.2	18.5	14.2	11.1	11.3	9.2	11.2	10.7	7.4	9.0	7.4	5.8
Total saponifiable materials.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Includes edible tallow, oleostearine, lard, and vegetable tallow as reported.² Includes corn, castor, linseed, peanut sesame, oleo, rape, edible olive, neat's foot, perilla, tung, sunflower oils, soap stock, and "other" as reported.

EXHIBIT C—Continued

TABLE 8.—Soap: Fats, oils, and rosin used in manufacture, United States, specified years, 1912–38—Continued

Fat or oil	1936	1937	1938
Hand oils (tallow class)—Continued.			
Quick lathering:			
Coconut oil.....	1,000 lbs.	1,000 lbs.	1,000 lbs.
Palm-kernel oil.....	307,376	252,241	342,982
Babassu oil.....	26,443	111,514	29,498
Total.....	8,993	14,308	8,289
Soft oils:			
Cottonseed-oil foots and other foots ¹	183,000	183,000	208,000
Olive oil, foots and inedible.....	25,599	18,874	16,312
Soybean oil.....	5,023	10,274	10,897
Cottonseed oil.....	1,278	8,414	2,883
Corn oil.....	2,527	2,392	2,514
Castor oil.....	1,623	2,123	1,810
Linseed oil.....	1,482	1,359	1,455
Peanut oil.....	1,734	820	545
Sesame oil.....	1,809	2,944	302
Oleo oil.....	57	74	119
Rape oil.....	7,771	981	55
Olive oil, edible.....	53	21	81
Neat's-foot oil.....	41	16	20
Perilla oil.....	8	2	
Tung oil.....	2		
Other ⁴	4,268	10,812	14,031
Total.....	236,335	242,106	258,974
Total fats and oils.....	1,577,538	1,658,756	1,676,535
Rosin ⁵	148,536	136,410	125,000
Total saponifiable materials.....	1,726,074	1,795,166	1,801,535

¹ Includes whale, herring, sardine, menhaden, and other fish oils.² These data are for item reported as miscellaneous (p. 127, U. S. Tariff Commission Rept. No. 41), plus difference between items reported as domestic animal fats and oils except marine (p. 127) and domestic tallow, inedible, grease, and red oil (p. 132, 1912–17. Beginning 1919, item reported as miscellaneous only.³ Estimated.⁴ Reported as "other vegetable oils."⁵ The rosin season extends from April of one year through March of the next year. Data are for calendar year in some cases and for season in other cases. Data are placed, however, in the calendar year in which most of the season occurs, i. e., 1938–39 data are placed in calendar year 1938.⁶ Preliminary.

Data for 1913, 1915, 1918, and 1920 not available.

Compiled as follows: Fats and oils: 1912–30, U. S. Tariff Commission Rept. No. 41, pp. 127, 130–132; 1931–38, Bureau of the Census, Animal and Vegetable Fats and Oils. Rosin: Naval Stores Division, U. S. Department of Agriculture.

TABLE 9.—Soap: Fats, oils, and rosins used in manufacture as percentage of total saponifiable materials, United States, specified years, 1912–38—Continued

Fat or oil	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Hard oils (tallow class):											
Slow lathering:	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Tallow, inedible	25.6	24.1	26.5	31.5	33.1	32.0	37.7	40.3	38.2	34.2	39.0
Whale and fish oils	8.2	7.4	6.8	7.6	5.9	6.1	5.6	8.4	9.3	10.5	8.1
Grease	15.1	13.6	14.6	7.8	8.7	7.9	8.1	6.0	5.7	5.2	5.4
Palm oil	8.2	10.7	11.5	10.4	10.1	11.8	8.8	5.3	4.5	7.9	5.1
Other ¹	.4	.6	.4	.3	.1	.2	.1	.1	(?)	(?)	(?)
Total	57.5	56.4	59.8	57.6	57.9	58.0	60.3	60.1	57.7	57.8	57.6
Quick lathering:											
Coconut oil	19.4	18.5	18.2	20.5	21.3	20.3	19.4	14.0	17.8	14.0	19.0
Palm-kernel oil	2.9	4.0	1.8	1.7	.2	.4	.9	2.3	1.5	6.2	1.6
Babassu oil									.5	.8	.5
Total	22.3	22.5	20.0	22.2	21.5	20.7	20.3	16.3	19.8	21.0	21.1
Soft oils:											
Cottonseed oil foots	6.1	6.0	6.2	9.1	9.2	9.1	8.0	11.6	10.6	10.2	11.6
Olive oil, foots and inedible	2.8	3.0	3.0	2.5	2.0	2.1	1.8	2.0	1.5	1.1	.9
Red oil	.9	.8	.7								
Soybean oil	.1	.4	.3	.2	.3	.3	.1	.2	.3	.6	.6
Cottonseed oil	1.2	.7	.4	.1	.2	.5	.2	.1	.1	.5	.2
Other ²	3.8	3.9	3.0	1.1	1.0	1.0	1.2	1.2	1.4	1.2	1.1
Total	14.9	14.8	13.6	13.0	12.7	13.0	11.3	15.1	13.9	13.6	14.4
Total fats and oils	94.7	93.7	93.4	92.8	92.1	91.7	91.9	91.5	91.4	92.4	93.1
Rosin	5.3	6.3	6.6	7.2	7.9	8.3	8.1	8.5	8.6	7.6	6.9
Total saponifiable materials	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Includes edible tallow, oleostearine, lard, and vegetable tallow as reported.² Includes corn, castor, linseed, peanut, sesame, oleo, rape, edible olive, neat's-foot, perilla, tung, sunflower oils, soap stock, and "other" as reported.³ Less than 0.1 percent.

NOTE.—Computed from table 8.

Mr. JOHNSON of California. Mr. President, I wish to fortify, if I can, the position of the Senator from Arizona. I will say by way of preface that I am not accustomed to argue constitutional questions. I am not a constitutional expounder. I have generally found in my experience that, according to the courts, if we may place any reliance upon them, the most eloquent expounders of the Constitution are usually decided to be in error.

The latest edition of the Constitution of the United States of America, annotated—oh, it is a presumptuous thing to be referring to the Constitution here—contains notes under the various headings. I will read the notes for what they are worth. I shall not attempt to comment upon them in any way, shape, form, or manner. Other Senators can understand them as well as I can, although they may understand them differently:

SEC. 7. All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

The note says:

All bills for raising revenue: The construction of this limitation is practically settled by the uniform action of Congress confining it to bills to levy taxes in the strict sense of the word, and it has not been understood to extend to bills having some other legitimate and well-defined general purpose but which incidentally create revenue.

Under that particular text the following cases are cited: *United States v. Norton* (91 U. S. 566), *Twin City National Bank v. Nebeker* (167 U. S. 196), *Millard v. Roberts* (202 U. S. 429).

Amendments by Senate: It has been held within the power of the Senate to remove from a revenue collection bill originating in the House a plan of inheritance taxation and substitute therefor a corporation tax.

The following cases are cited: *Flint v. Stone Tracy Co.* (220 U. S. 107), *Rainey v. United States* (232 U. S. 310).

That is all.

Mr. CONNALLY. Mr. President, I have not had the opportunity to read the decisions cited by the Senator from California; but there is no difficulty in that regard. As I understand the rule and the precedents, the language of the Constitution provides that all bills for raising revenue shall originate in the House. However, the Senate, of course, may amend them. When a revenue bill comes to the Senate, the Senate is at liberty, if it desires, to adopt a new tax which is not even contained in the House bill, because

it has complete legislative powers, except for the prohibition that it shall not originate the bill.

If the doctrine asserted by Senators on the floor is sound, then the Senate need never pay attention to the constitutional provision about revenue measures, because when any bill comes over from the House a Senator may offer on the floor of the Senate an amendment cutting down the taxation, as this bill does, and say that it does not raise any revenue, and is therefore in order. The bill immediately becomes subject to amendment, and another Senator may offer an amendment raising the revenue, or adding a new tax, thus rendering absolutely nugatory the constitutional provision.

There was a reason for the constitutional provision that revenue bills should originate in the House. The theory was that the Members of the House of Representatives are representatives of the people, and that Senators are representatives of the States, formerly being elected by the legislatures of the States. The old theory, upon which the Revolution itself was founded, was that taxation without representation was cause for revolution. Therefore, the makers of the Constitution wisely provided that no tax should be laid upon the backs of the people unless their Representatives in the House of Representatives should propose the bill seeking to levy the tax; but the Constitution says that when that bill comes to the Senate the Senate may amend it, or change it, or do what it pleases with it, once the House has opened the door.

We have before us a bill which did not even originate in the House. The whole bill originated in the Senate. It is now proposed to take off a tax. It does not make any difference whether the bill raises or lowers the tax; it is still a revenue measure. It still relates to the revenue. I could offer in a moment an amendment raising the tax, instead of repealing the 3-cent tax, as is proposed. I could offer an amendment to make it 5 cents. Such an amendment would be in order. Then we should unquestionably have a bill raising revenue.

Mr. President, we ought not to adopt the pending amendment. I think everyone ought to know that it is violative of the spirit of comity, good will, and respect for the prerogatives of the two Houses. We ought not to add a revenue measure by a committee amendment.

The Senator from Arizona [Mr. HAYDEN] says that because the money ultimately goes to the Philippines, the bill

is not a revenue bill. How does the money go to the Philippines? The Government of the United States first levies the tax. Whose tax? The tax of the United States. Who is the collector? The United States' collector goes out and collects it at the factory where the processing is done. We are not concerned with what becomes of the money after it goes into the Treasury. The bill is still a revenue measure. Whether we appropriate the money to the Treasury of the Philippines or whether we give it to the W. P. A. does not change or modify the fact that it is a revenue measure. We would never get a dollar of the money into the Treasury of the United States unless the United States first exacted it by law, and then extorted it from the taxpayer by its own collection. There is no concern whatever as to what becomes of the dollar. We do not earmark every dollar that goes into the Treasury. We levy the tax, and it is up to the Congress to appropriate the proceeds.

So, Mr. President, that argument is specious; it is transparent. It is an argument through which even the dullest mind ought to be able to pierce.

Mr. President, I shall not consume more time. If the pending bill is not a revenue measure, then there are no revenue measures.

The PRESIDING OFFICER. The question recurs on the committee amendment. For the information of the Senate, the committee amendment will be stated.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Has the Chair stated the point which is to be voted on?

The PRESIDING OFFICER. The Chair will state it presently. For the information of the Senate, the Chair wishes to have the committee amendment stated.

The LEGISLATIVE CLERK. On page 19, line 24, it is proposed by the committee to insert:

(f) Section (a) (1) of section 2470 of the Internal Revenue Code (I. R. C., ch. 21, sec. 2470 (a) (1)), is hereby amended by striking out the comma after the words "coconut oil," and inserting in lieu thereof the following: "(Except coconut oil rendered unfit for use as food or for any but mechanical or manufacturing purposes as provided in paragraph 1732 of the Tariff Act of 1930), and upon the first domestic processing of."

The PRESIDING OFFICER. To the committee amendment which has just been stated, the Senator from Texas has raised a point of order.

Mr. HARRISON. Mr. President, I should like to express myself briefly respecting the point of order made by the Senator from Texas [Mr. CONNALLY]. Frequently the Committee on Finance has been compelled to refuse to report bills which a majority of the committee favored, because it was felt that those proposals involved revenue legislation and should originate in the other House. I have no doubt, so far as this particular amendment is concerned, that should this bill pass the Senate with the committee amendment included, the House could reject or return it if it desired to do so. I may be mistaken, but I believe the amendment involves a revenue matter, and it seems to me that we should not send this bill to the House under these circumstances and that the Senate should sustain the point of order.

The PRESIDING OFFICER. To the committee amendment the Senator from Texas raised the point of order that the committee amendment is itself a revenue measure and may not originate in the Senate. The question now occurs, Is the committee amendment in order? Those Senators who think it is in order will vote "aye"; those who think the point of order is well taken will vote "no."

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Is not the question whether the point of order is well taken, on which those who believe it well taken will vote "aye"?

The PRESIDING OFFICER. The present occupant of the chair will say that he entertains the same idea as that of the Senator from Kentucky, but he submitted the question to the Parliamentarian, and the Parliamentarian advised the occupant of the chair that the better practice is to submit

the question, "Is the committee amendment in order?" Therefore, so that it may be understood, the Chair will repeat the question, Is the committee amendment in order? Those who think it is in order will vote "aye," and those who think it is not in order will vote "no." [Putting the question.] By the sound, the "noes" appear to have it.

Mr. HAYDEN. Mr. President, I ask for a division.

Mr. HARRISON, Mr. BARKLEY, and Mr. LA FOLLETTE called for the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSON of California. Mr. President, the Senate is voting upon the point of order, is it not?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of California. There was no decision rendered by the Chair upon the point of order, was there?

The PRESIDING OFFICER. The Chair ruled, under the precedents of the Senate, the constitutional question being raised that it was a question to be decided by the Senate, and the Chair did not rule on the constitutional question.

Mr. JOHNSON of California. The Chair is safe, then.

The PRESIDING OFFICER. The Chair seems to be safe on such a vote. The clerk will proceed to call the roll.

The legislative clerk called the roll.

Mr. SHIPSTEAD (after having voted in the negative). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I find that if he were present and voting he would vote as I have voted. So I let my vote stand.

Mr. McNARY. The senior Senator from Pennsylvania [Mr. DAVIS], the junior Senator from Oregon [Mr. HOLMAN], and the junior Senator from New Hampshire [Mr. TOBEY] are absent on official business. If present, each of the Senators mentioned would vote "nay."

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of an operation.

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is detained from the Senate because of illness. I am advised that if he were present and at liberty to vote he would vote "nay."

Mr. MINTON. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Iowa [Mr. GILLETTE] are absent on important public business. I am advised that if present and at liberty to vote those Senators would vote "nay."

The Senator from Florida [Mr. ANDREWS], the Senator from Arizona [Mr. ASHURST], the Senator from South Dakota [Mr. BULOW], the Senator from Nebraska [Mr. BURKE], the Senator from Idaho [Mr. CLARK], the Senator from Kentucky [Mr. LOGAN], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. PEPPER], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. WHEELER], and the Senator from Massachusetts [Mr. WALSH] are detained in important committee meetings.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Michigan [Mr. BROWN], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Wyoming [Mr. SCHWARTZ] are absent on important public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Ohio [Mr. DONAHEY], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. HERRING], the Senator from Alabama [Mr. HILL], the Senator from Illinois [Mr. LUCAS], the Senator from Louisiana [Mr. OVERTON], and the Senator from Indiana [Mr. VAN NUYS] are detained on departmental business.

The Senator from West Virginia [Mr. HOLT] is addressing the East Fairmont High School Alumni Association today, and is therefore necessarily absent.

The result was announced—yeas 8, nays 54, as follows:

YEAS—8			
Caraway	Downey	Hayden	King
Clark, Mo.	Gibson	Johnson, Calif.	Taft
NAYS—54			
Adams	Bone	Connally	Green
Austin	Borah	Danaher	Gurney
Barbour	Byrd	Ellender	Harrison
Barkley	Byrnes	Frazier	Hatch
Bilbo	Capper	George	Hughes

Johnson, Colo.	Mead	Reed	Thomas, Okla.
La Follette	Miller	Russell	Townsend
Lee	Minton	Schwellenbach	Truman
Lodge	Murray	Sheppard	Vandenberg
Lundeen	Neely	Shipstead	Wagner
McCarran	Norris	Slattery	White
McKellar	Nye	Smathers	Wiley
McNary	Pittman	Smith	
Maloney	Radcliffe	Stewart	

NOT VOTING—34

Andrews	Clark, Idaho	Hill	Schwartz
Ashurst	Davis	Holman	Thomas, Utah
Bailey	Donahay	Holt	Tobey
Bankhead	Gerry	Logan	Tydings
Bridges	Gillette	Lucas	Van Nuys
Brown	Glass	O'Mahoney	Walsh
Bulow	Guffy	Overton	Wheeler
Burke	Hale	Pepper	
Chavez	Herring	Reynolds	

So the Senate decided the committee amendment to be out of order.

Mr. TYDINGS. Mr. President, I think that disposes of all committee amendments.

The PRESIDING OFFICER. The committee amendments have been disposed of. The bill is still before the Senate and is open to further amendment.

Mr. CLARK of Missouri. Mr. President, I send forward an amendment which I ask to have stated. I may say that this amendment was not adopted by the committee as a committee amendment, but I have submitted it to nearly all the members of the committee since it was prepared. I gave notice of it in the committee, and it has the approval of the majority of them.

The PRESIDING OFFICER. The amendment proposed by the Senator from Missouri will be stated.

The LEGISLATIVE CLERK. On page 15, after line 2, it is proposed to insert the following as a new section:

SEC. 4. Section 13 of the said act of March 24, 1934, is hereby amended to read as follows:

"SEC. 13. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: *Provided*, That at least 2 years prior to the date fixed in this act for the independence of the Philippine Islands, there may be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, the representatives of the United States to consist of three United States Senators, appointed by the President of the Senate, three Members of the House of Representatives, appointed by the Speaker of the House, and six persons appointed by the President of the United States; a like number of representatives of the Philippine government may be appointed by the President of the Philippine Commonwealth, with the consent of the commission on appointments; the purpose of the conference shall be to formulate recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

"In the event any vacancy may occur in the commission by reason of the death, resignation, or retirement from the Senate of any member appointed by the President of the Senate such vacancy may be filled by appointment of the President of the Senate.

"In the event any vacancy may occur by reason of the death, resignation, or retirement from the House of Representatives of any Member appointed by the Speaker of the House of Representatives such vacancy may be filled by appointment of the Speaker of the House of Representatives.

"Any vacancy which may occur in the portion of the commission appointed by the President of the United States may be filled by appointment of the President of the United States."

Mr. CONNALLY. Mr. President, purely on the grounds of consistency—I really do not know what is in this amendment—I shall have to make the same point of order that I made on the other one, because on its face the amendment discloses that it is a revenue proposition.

Mr. CLARK of Missouri. Mr. President, let me say to my friend from Texas that the sentence to which he refers makes no change in existing law by even as much as one word.

Mr. CONNALLY. Then it is not a question of existing law at all. If it is existing law, there is no use to reenact it; but on its face the amendment provides that when and if the Philippines become independent and free, certain tariff rates shall be levied on all articles coming into the United States. If that is not a tariff bill, I do not know what a tariff bill is.

Mr. CLARK of Missouri. Mr. President, let me say to the Senator from Texas that that provision is in existing law; and the purpose of the amendment is to add to existing law a proviso which does not affect the revenue in any particular whatever. The provision of existing law was set out in order to make the proviso intelligible.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Idaho?

Mr. CONNALLY. I do.

Mr. BORAH. I do not recall the language of the original law; but, as I listened to the reading of this amendment, it provides that this commission shall meet for the purpose of fixing tariff rates.

Mr. CLARK of Missouri. The amendment gives the Commission no authority whatever to fix tariff rates. As has been contemplated in the law from the very beginning of the consideration of the question of independence, the amendment simply sets up a body for the consideration of any economic questions which may arise prior to the Independence Act going into effect. It does not give the Commission the slightest authority to change existing rates or to provide for any new rates.

Mr. BORAH. What is the purpose of the Commission? What is its objective?

Mr. CLARK of Missouri. In the process of economic separation certain questions may and undoubtedly will arise, and the amendment simply sets up a commission having jurisdiction, if the President sees fit to appoint them—it is not mandatory—to study these questions, and, of course, to report to the Congress. That is what it would be necessary for the Commission to do, of course.

Mr. BORAH. The only power the Commission would have ultimately would be to report to Congress?

Mr. CLARK of Missouri. Absolutely.

I will say very frankly, so far as I am concerned, that my purpose in offering the amendment is to have some commission authorized by law to take the matter under consideration, rather than an entirely extralegal committee such as has been set up without any authorization by law. We have had an interdepartmental committee. I think the President should have authority to appoint representatives on this commission, I also think there should be on it representatives from Congress to take into consideration matters which may arise prior to the final separation already provided for by existing law. The amendment does not give them the slightest authority to change law. It simply authorizes them to take the matters into consideration, and, of course, to report to the Congress, and whatever determination the Congress may see fit to make will be final.

Mr. CONNALLY. Mr. President, may I ask the Senator a question?

Mr. CLARK of Missouri. Certainly.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. CONNALLY. Under existing law when and if the Philippines become free, do the tariff rates under the present law immediately apply as they do to all other countries, or do the Philippines enjoy a scaling-down process?

Mr. CLARK of Missouri. When they have complete independence, I understand that they pay duty like anybody else.

Mr. CONNALLY. If the Senator does not know—

Mr. CLARK of Missouri. That is my understanding of the law. If any Senator has a contrary view, I shall be glad to have him state it. This amendment does not change existing law. It is not the purpose of the amendment to change existing law.

Mr. CONNALLY. It is not a matter of whether the amendment changes existing law or whether it does not; it deals with the revenue, because it says:

Section 13. After the Philippine Islands have become a free and independent nation there shall be levied—

By whom? By the United States.

Mr. CLARK of Missouri. That is already the law.

Mr. CONNALLY. Then there is no need to reenact it—there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries.

If that is not a tariff bill, I do not know what a tariff bill is.

Mr. CLARK of Missouri. Well, Mr. President, if the Senator from Texas desires to be so technical—

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. CLARK of Missouri. If the Senator will yield, I will take the floor.

Mr. CONNALLY. The Senator from Texas does not appreciate comments such as the Senator from Missouri makes when he says, "If the Senator wants to be so technical." I do not care anything about his amendment and did not know what was in it until it was read. I had just made a point of order on the same grounds on an amendment offered by the Senator from Arizona [Mr. HAYDEN] and the Senate sustained me.

Can I sit here now and, simply because the Senator from Missouri offers an amendment that is also objectionable, not make the point of order against him when I have made it against one of the best friends I have in the world, the Senator from Arizona? And then, because the Senator from Texas does that, he is "technical."

When the Senator from Texas takes an oath to obey the Constitution of the United States, he takes an oath to obey all of it, not just the part that suits him, not just the part that suits the Senator from Missouri, not just the part that suits the views of the Senator from Texas as to some particular measure, but he takes an oath to support all of it, whether it suits him or not. If the Senator from Missouri wants to call that technical, I shall plead guilty; I am technical.

I have seen the Senator from Missouri stand here and heard him exhort Senators to stand up for the Constitution when that view suited him. I am surprised that he should relax in his vigilance over that sacred document at any time or for any purpose. I commend it to him. Go back and look at the old document. It is over here in the Library of Congress, if the Senator has not seen it lately. Go over there and look at it, meditate on it, become saturated with it, and then the Senator will not say that someone who is insisting on observance is merely technical.

Mr. CLARK of Missouri. Mr. President, I repeat the statement that the Senator from Texas is not only technical but is wrong.

If it suits the peculiar mentality of the Senator from Texas to insist that it is a violation of any constitutional provision to insert in a Senate amendment a repetition of the existing law, now upon the statute books, without a change of any single letter in that law, for the purpose of making more clear a proviso which does not refer to the revenue being appended to that section of existing law, I am perfectly content for the Senator from Texas to maintain such a position.

If the Senator from Texas conceives that it would be a violation of his oath of office, as being a violation of the Constitution of the United States, to include in a bill a repetition of existing law, I desire to relieve the Senator from the necessity of making a point of order, although I am thoroughly convinced that there is no merit whatever in the point of order.

If the Senator from Texas conceives that the point of order which he could make against this amendment would be the

one which he has just made against the amendment of the Senator from Arizona [Mr. HAYDEN], I am perfectly willing for him to labor under that delusion.

Therefore, Mr. President, I modify my amendment by striking out the words beginning on line 1, of page 1, down to and including the word "Provided", on line 1, of page 2, and the word "that", on line 2, of page 2, so that the amendment will begin:

At least 2 years prior to the date fixed in this act—

And the remainder of the amendment will be as it has been read.

Mr. TYDINGS. Mr. President, with the elimination the Senator from Missouri has made in his amendment, the objection made by the Senator from Texas would, of course, no longer hold; and I am sure the Senator from Texas does not want to make an objection to the remainder of the amendment.

Mr. CONNALLY. When the vice I perceive in the amendment is taken out, of course I have no further objection to it.

Mr. CLARK of Missouri. Mr. President—

Mr. TYDINGS. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. I desire to state very specifically that the modification makes no reference whatever to the merits of the objection made by the Senator from Texas, but is merely to satisfy the mind of the Senator from Texas, and keep him from reading the Constitution again.

Mr. CONNALLY. I thank the Senator from Missouri for this soulful solace he gives to the Senate.

Mr. TYDINGS. Mr. President, the amendment of the Senator from Missouri, as it now stands, is not mandatory, but permissive. Nevertheless, before the Senate votes on it, and I have no particular objection to it, I think we might consider where we will be when the amendment really becomes operative.

The amendment now reads:

Provided, that at least 2 years prior to the date fixed in this act for independence—

Which would be 1944—

there may be held—

Not "shall be held," but—

there may be held a conference.

Then it proceeds to provide that the conferees shall be chosen from the Senate and the House. At this time I cannot see any particular reason why perhaps just before independence there might not be a conference of Representatives and Senators to see what the situation might then be and to take such necessary steps as it might demand. But between now and 1944 two Presidents of the United States will be elected, an entirely new Senate will be elected, and there will be three new Houses of Representatives. I do not know whether in 1944 I would be glad that a conference would go into this matter again. If we have to have a conference 2 years before final independence takes place, I think it is pretty sound to provide that Congress as then existing shall put into force such a conference to hear any matter which may need to be considered, and certainly if the Philippine people wanted to petition Congress for some change which we do not now perceive to be necessary, they could do so.

True, the amendment makes it only permissive; it is not mandatory. But I think there is much force in the thought that we should not now make provision for this conference. Congress may not want to have a conference at that time. Certainly if the act takes care pretty reasonably of the things which may happen prior to independence, we may not want to have another consideration of the Philippine situation. But if we put this amendment into the law, I am afraid it will be interpreted to mean a promise which Congress will make good 2 years before independence. We may want to do it when the date arrives, or we may want to do it 3 years or 4 years before the independence of the Philippines is to come about. I think the Senate and the country

ought to know that, even though the amendment is permissive, it might be interpreted as committing Congress to a certain procedure 2 years before final independence. I believe that thought ought to be in the minds of Senators when they vote upon the amendment. I am not particularly speaking against the amendment, but I think the implications of the amendment ought to be understood if the Senate cares to adopt it.

Mr. DANAHER. Mr. President, I should like to ask the Senator from Maryland whether it is not the present law that there is to be a trade conference to be held at least 1 year prior to July 4, 1946?

Mr. TYDINGS. I do not think that is accurate.

Mr. DANAHER. What is the provision of law in that respect?

Mr. TYDINGS. I think it is permissive.

Mr. DANAHER. It does provide that there may be one at least 1 year prior to July 4, 1946?

Mr. TYDINGS. I would not care to say; I have not read that part of the law for a long time. It may be in the law, or it may not be.

Mr. CLARK of Missouri. If it is in the law except for a change in the date when the conference is to be held, the law does provide for it.

Mr. TYDINGS. Mr. President, the amendment of the Senator from Missouri would make it pretty definite that the Congress is to constitute a certain number of Members of the House of Representatives and of the Senate to consider this matter 2 years before independence. There might be a world war before that time; there might be another war in the Orient. The whole situation might be changed. It seems to me we might be well advised to wait until 1943 or 1944 to see what the situation may then be. Certainly if there is any need for dealing with this question again, I am sure Congress will deal with it through its appropriate committees. But to make this gesture now, before we know what may happen in the next 4 or 5 years, might be a mistake. I have no particular objection to the amendment, except that I am concerned that it will be misinterpreted by the Filipino people as a demand on their part for a conference which we will have to accept in good faith.

Mr. HAYDEN. Mr. President, let me point out the provision in existing law:

That at least 1 year prior to the date fixed in this act for the independence of the Philippine Islands there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the chief executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands.

The advantage I see in the amendment offered by the Senator from Missouri is that instead of being mandatory it is permissive.

Mr. TYDINGS. From what act is the Senator reading?

Mr. HAYDEN. I am reading from section 13 of the act of March 24, 1934.

Mr. TYDINGS. Not from the pending bill?

Mr. HAYDEN. No; I am reading from the law.

Mr. TYDINGS. Then, if the Senator's position is well taken, unless that law shall be repealed, that conference will be provided for and also the conference proposed in the pending amendment.

Mr. HAYDEN. But the Senator from Missouri proposes to amend this language in the existing law.

Mr. TYDINGS. The amendment does not so state. I have the amendment in my hand. It says nothing about amending.

Mr. CLARK of Missouri. It provided, "Section 13 of the said act of March 24, 1934, is hereby amended."

Mr. HAYDEN. That is the act from which I have been reading.

Mr. TYDINGS. I am in error.

Mr. HAYDEN. I think it is highly advantageous that there be on the commission provided for, Members of the

Senate and of the House of Representatives. Congress has had much to say about all of the Philippine legislation enacted heretofore. We have not turned it over to the executive department.

The Senator from Missouri improved the situation, first, by making the amendment permissive; secondly, by making it effective 2 years before independence, instead of 1, because if we are to do anything about it, 1 year is too short a time; thirdly, he improved the situation by providing representation on the commission of Senators and Representatives.

Mr. PITTMAN. Mr. President, I am very much in accord with the position taken by the Senator from Arizona. There is now what is called an Interdepartmental Commission. It consists of representatives of five of the departments. As a matter of fact, only one department is represented, and only one man in one department pays very much attention to the Commission, so far.

If the law remains as it is, there will probably be one representative of the six departments in the Philippine Islands negotiating, we will say, a bill with regard to the future of the Philippine Islands after they become independent. The Congress of the United States will probably know nothing about what the proposal is until it is submitted within a few months or a few days before the Commonwealth of the Philippine Islands is to die and the Philippine Islands become absolutely sovereign. Then the Congress of the United States will be expected to act on the matter immediately, because of it being an emergency, something being about to happen. The privileges granted the Philippine Islands under the Commonwealth Act will expire, and we will be urged to act immediately. We will either act without knowledge or we will take considerable time in studying the question, while possibly the Philippine Islands will be suffering.

It seems to me it is one of those peculiar cases of the responsibility as to what we should do in the Philippine Islands after they become sovereign resting upon the Congress of the United States. I think there should be Members of both branches of the Congress, in equal numbers with those representing the executive department, who should be prepared to give a full report to the Congress before the period of sovereignty commences, and the report should be rendered from the standpoint of Congress, not from the standpoint of some executive commission.

Mr. President, I very strongly support the pending suggestion, and I ask, of course, that it be certain that the provision in the act for a conference, which is for a purely departmental conference, is repealed by the amendment. I want it to be understood that it is.

Mr. CLARK of Missouri. Mr. President, that is certainly the purpose of the amendment, and I understand it repeals the former provision. The amendment as originally drawn was printed 10 days ago and has been available to members of the committee since that time. In the original print the provisions were mandatory instead of permissive, and I say very frankly that I much prefer to have them mandatory instead of permissive; but the amendment was changed today at the suggestion of the chairman of the committee. I understood that made the amendment meet with the complete approval of the chairman of the committee. Otherwise, I should not have changed the amendment to make it permissive instead of mandatory.

Mr. NORRIS. Mr. President, I wish to ask the Senator about the very question he is now discussing. Under the present law a mandatory commission is provided for, which will not be composed of Members of Congress. The Senator's amendment would repeal that provision.

Mr. CLARK of Missouri. My amendment would repeal it.

Mr. NORRIS. It provides for Members of the House and Senate being on the commission. I think that is a great improvement; I like it very much; but I do not like the provision which does not make the conference mandatory.

Mr. CLARK of Missouri. As I have stated, I prefer a mandatory provision.

Mr. NORRIS. The law as it now reads is mandatory, and there was reason for that. I suppose most Senators feel

there should be a conference, and if the Senator's amendment is not adopted, there may never be a conference. Nothing may be done.

Mr. CLARK of Missouri. So far as I am concerned, Mr. President, I am very much in favor of making it mandatory.

Mr. NORRIS. I should like to know if the chairman of the committee has any objection to making it mandatory.

Mr. TYDINGS. I have no objection whatsoever to making it mandatory. If the Senate wants to do so, I certainly do not want to interpose any objection. I did tell the Senator from Missouri that I did not like the amendment to start with, but I did not dislike it so much if it was permissive rather than mandatory.

From previous contacts with this problem, I am of the opinion that this provision is going to be misinterpreted. I believe that it will be used as a vehicle to bring up the whole question all over again. And, while I think I have shown a pretty fair disposition toward the Filipino government and the people to meet every reasonable request so far as I could, so far as I have any voice, I do not like to have in the measure a provision which would enable the Filipinos to look to 1944 as a definite date, when changes affecting them might be made.

Mr. CLARK of Missouri. I should like to call attention to this provision:

But nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

Mr. TYDINGS. That is correct.

Mr. CLARK of Missouri. The Senator is well aware that that is the one provision I have insisted from the very beginning should be inserted in any bill that might be passed, in order that there may be no doubt whatever in the minds of the Filipino people or the American people that we are going to carry through the act of independence heretofore enacted.

Mr. TYDINGS. I do not want such doubt to exist. I should like to answer the Senator from Nebraska a little more in detail.

Mr. NORRIS. Before the Senator does that, may I submit to him also that under existing law, if we agree to no amendment, there is bound to be a commission?

Mr. TYDINGS. That is true, but it would be a departmental commission and would not bind the Congress. I am not going to mention any names, and I hope I will not violate any confidences, but I may suggest to the Senator that there are a good many people interested in the Philippine problem in this country and in the Philippines who are looking for the day when this particular act will be used only as a means of translating what we assume now is going to be an ultimate independence of the Philippines into a dominion status of the Philippines similar to that of Canada with relation to Great Britain. I know that that is so from many contacts.

Mr. NORRIS. If that is so, and the Senator wants to avoid that, we would have to repeal that portion of the law which would not be repealed by the amendment.

Mr. TYDINGS. Yes.

Mr. NORRIS. So it really comes down to whether we are going to have a commission at all, and if we are not going to have a commission we must repeal the law which provides for one. So after all, does it not come down to this proposition: That it is a question whether the amendment of the Senator from Missouri is better than existing law?

Mr. TYDINGS. I do not know but what it is. As I say, I am not going to object to it, but I want to make my own position clear, in even mildly being for it, that, so far as I am concerned, I am in favor of complete independence of the Philippine Islands, with no strings tied to it, as soon as we can decently and humanely, morally, financially, and economically bring it about.

Mr. NORRIS. I am, too.

Mr. TYDINGS. I know the Senator is. And, insofar as my position is concerned, and I believe the position of Congress, I do not want any of these proposed conferences

which are to be held sometime in the future to be seized upon by any source in this Government or out of it, as indicating that basically the policy upon which we are now embarked of Filipino independence is going to be altered by the Congress, so far as we now know.

I am aware that certain persons here and there are hoping that gradually this whole policy can be veered into another direction; that the Filipino people will realize what a difficult time they will have ahead of them as a free nation; that with some countries nearby being warlike, and the Philippines no longer having a free market, their whole economy must pass through an evolution; that dictatorial powers may be necessary to maintain law and order. Therefore, with all these things in mind, people who at first were in favor of independence now want to retreat, not to retreat back to the old status but they want a governor and a dominion form of government.

Mr. CLARK of Missouri. In other words, they want to have their cake and eat it, too.

Mr. TYDINGS. That is perfectly true, and it is understandable why there should now be signs of a change in viewpoint in the Philippine Islands. Personally I am sorry that the conference provision was put in the original act. If the original act were pending before the Senate today I believe I should offer an amendment to eliminate the conference provisions; not that we would not consider any petition which the Philippine people might file with Congress; not that we would not give them a hearing; not that we would not meet them half way in respect of any complaint they might have, or any difficulty that might be ahead, but because of the certainty of numerous conflicts, and knowing that there are those in the Congress who think the Filipinos ought not to have their independence in the first place, and knowing there are now those in the Philippines who perhaps asked for freedom, but who now are beginning to look at it in a little different way, I am afraid in view of changed world conditions that such a conference might be used in a future Congress as a vehicle again to attach the Philippines to our country. For my part I want to get out of the Philippines at the earliest possible moment consonant with what may be called fair dealing between the two peoples.

Mr. CLARK of Missouri. Mr. President, let me say to the Senator from Maryland and to the Senate that I am certainly as thoroughly committed and as thoroughly in favor of the proposition of the United States getting out of the Philippines at the earliest possible moment as anyone could possibly be. The Senator from Maryland will recall that throughout the hearings on the original bill, which was introduced by him—not the measure now pending before the Senate, but the one introduced at the beginning of the session—I insisted that I would not vote for any bill dealing with the subject of the Philippines to any extent whatever which did not contain an explicit and emphatic provision to the effect that nothing in that bill was to be taken as in any manner whatever changing or holding out any hope of changing the fundamental conditions with regard to the political independence of the Philippine people.

I did state, however, that I thought the people of the United States in making this separation after 40 years' connection with the people of the Philippines—a connection which the people of the Philippines did not seek—could afford to be very generous in their economic relationships, and to that view I adhere. I stated that I would oppose any measure dealing with the Philippines which did not contain such a provision as I have referred to, and such a provision as is contained in the pending amendment, making it perfectly clear that nothing is to change the political status. I may say that I received a telegram from the President of the Philippine Commonwealth setting forth his views to the effect that nothing contained in this measure should be taken as changing the political status of the Philippine Islands, which communication I read to the Committee on Territories and Insular Affairs when I was attempting to have reported a measure to bring about economic justice to the people of the Philippines.

In view of the statements of the chairman of the committee, I desire to modify my amendment again to make it mandatory and explicitly repeal, as I thought I had done, the provisions of section 13 of the act now before us, so as to read as follows:

Insert on page 15, after line 2, the following as a new section:
 "Sec. 4. Section 13 of the said act of March 24, 1934, is hereby amended by striking out the proviso and inserting in lieu thereof the following."

That strikes out the provision which at the present time provides for the mandatory commission to be created 1 year before independence, and inserting in lieu thereof the following:

Provided, That at least 2 years prior to the date fixed in this act for the independence of the Philippine Islands, there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, the representatives of the United States to consist of three United States Senators, appointed by the President of the Senate, three Members of the House of Representatives, appointed by the Speaker of the House, and six persons appointed by the President of the United States.

That is a provision to provide for a representation of the Senate of the United States, a representation of the House of Representatives of the United States, and an equal representation to be appointed by the President of the United States, which incidentally represents the number of representatives that now are on the interdepartmental committee.

A like number of representatives of the Philippine government shall be invited to be appointed by the President of the Philippine Commonwealth, with the consent of the Commission on Appointments; the purpose of the conference shall be to formulate recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso—

And I mention this particularly in reference to the statement made by the Senator from Maryland [Mr. TYDINGS]—but nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

That certainly meets every objection raised by the Senator from Maryland. The remainder of the amendment is as previously reported, having to do simply with vacancies in the Commission.

Mr. KING. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. KING. As the Senator reads his amendment, there occurs to me the question of the propriety or authority of the United States to say that the Philippine Commonwealth shall appoint representatives to take part in the formulation of the plan.

Mr. CLARK of Missouri. I will say to the Senator that that provision is in the existing law.

Mr. KING. I know it is in the existing law. There is some question in my mind as to the propriety of our Government saying to the Commonwealth, "You shall appoint representatives to participate in this conference." Undoubtedly the Commonwealth will desire to have representation.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. PITTMAN. The word "may" might be substituted.

Mr. KING. I do not wish to change the existing law. I do not want it to appear that our Government assumes autocratic and tyrannical authority, and says to the Commonwealth, "You shall appoint representatives to take part in this conference."

Mr. CLARK of Missouri. Certainly nothing was further from my thought than to insist that the President of the Philippine Commonwealth do anything. I shall be glad to state the matter in the permissive form.

Mr. KING. It is simply a question of comity. I should not want our Philippine brethren to feel that we were assuming the right to say what they shall do.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. CLARK of Missouri. I yield the floor, Mr. President.

Mr. PITTMAN. Mr. President, some question has been raised as to the insertion in the original act of the provision for a commission and a conference. That provision was discussed at length on several occasions. It seemed evident at the time the act was passed that there might be developments which would require some change in the law after the Philippine Islands became sovereign. The law as it stands treats the sovereignty of the Philippine Islands as any other sovereignty, subject to all the restrictions in tariff and other matters placed upon any other foreign country. At the time we drafted that act some of the members of the committee insisted that a rising tariff tax should be placed upon Philippine goods during the period of the Commonwealth and before the period of sovereignty, so as gradually to adjust the conditions of the islands to a complete tariff restriction after they became sovereign.

However, at the present time, from the evidence which has been submitted to the Committee on Territories and Insular Affairs on the original bill which was presented—and the pending bill is only half the bill which was originally presented—it is perfectly evident that we could not place such restrictions upon the sovereignty of the Philippine Islands after 1946 without practically destroying their entire economic system. The bill as originally presented to our committee by Dr. Sayre on behalf of the Interdepartmental Committee extended the period of gradual reduction of tariffs until 1961.

However, there had not been sufficient consideration of that bill. We knew nothing about the bill until it was sent to us by Dr. Sayre and handed over to the chairman of the committee to introduce. After weeks of hearings of experts in every Department, the committee became satisfied that it was not sufficiently advised to pass that kind of a bill at this time; and therefore the bill we are now considering deals only with quotas instead of taxes up until the time of sovereignty.

It is evident from the hearings before the committee that we shall be faced with numerous new problems when the time comes to decide how we shall treat the sovereignty of the Philippine Islands. We must treat them fairly after they become sovereign. We cannot afford to destroy them. There will have to be consideration of this subject under the commission to be appointed under the present act, and that consideration will probably be by one or two members of the Department. There will be a consideration by the proposed commission; or, if we repeal what is in the present law and have nothing, the President himself will send somebody to negotiate, because he has the inherent authority to do that if he wishes. The result will be just as the result was at this session of Congress: We shall have a detailed bill thrown in on the committee with no time to consider it.

I think the pending amendment is of extreme importance to the Philippine Islands as well as to the United States.

Mr. NORRIS. Mr. President, at the time the Senator from Missouri [Mr. CLARK] and the Senator from Utah [Mr. KING] were discussing the question of the use of "may" instead of "shall," I had it in mind to suggest that it seemed to me that neither of those words is quite right. I intended to suggest for the consideration of the Senator from Missouri [Mr. CLARK] the use of the word "invite."

Mr. CLARK of Missouri. Mr. President, that modification is entirely agreeable to me. Page 1, line 11, of the amendment would be modified to read:

Shall be invited to appoint a like number of representatives of the Philippine government.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Missouri.

The amendment as modified was agreed to.

Mr. MILLER. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arkansas will be stated.

The LEGISLATIVE CLERK. One page 6 it is proposed to strike out all of lines 1 to 7, inclusive, and to insert in lieu thereof the following:

(2) The quotas established by the act of June 14, 1935 (49 Stat. 340), and herein established for the commodities enumerated in such act, shall be allocated by the authorities of the Philippine government among the manufacturers of such commodities proportionately upon the following basis:

(a) The number of spindles which were installed as of February 1, 1939, for use in spinning hard-fiber yarns in each mill manufacturing such commodities.

(b) The average annual production of each of said manufacturers for the calendar years 1931, 1932, and 1933.

(c) The amount or quantity each manufacturer shipped to the United States in the 12 months immediately preceding the inauguration of the commonwealth.

Mr. MILLER. Mr. President, the purpose of the amendment is merely to strike out the provision in the bill which authorizes the allocation of the cordage shipments to this country and directs that the amount shall be reallocated under the three formulas set forth in the bill. I have undertaken to follow the original act as well as the Cordage Act and the Sugar Act. To be perfectly frank, my purpose is to have the question go to conference, so that the injustices which apparently exist under the Executive order may be eliminated.

Mr. KING. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. KING. Does the amendment seek to impose upon the Philippine manufacturers or producers a category which may be offensive to them or unfair or discriminatory to them?

Mr. MILLER. No; it does not. I do not see how it could be discriminatory.

Mr. KING. I mean discriminatory in favor of one section of the Philippines as against another section or one person as against another.

Mr. MILLER. That is what I am trying to avoid. For instance, one firm now has 63 percent of the cordage business. An American firm has 1 percent.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. TYDINGS. I think the Senator from Arkansas wants to do the fair thing. I do not know whether or not his amendment accomplishes what he desires. It is directed toward a worthy purpose. The situation is that the amount of cordage produced in the Philippines which can be shipped to this country is limited.

The Senator wants to make sure that in the allocation of the cordage no one interest obtains all the business, and he has tried to take the same sort of formula that was previously used, insofar as such cordage comes to our country. I told the Senator quite frankly that the committee had not considered that phase of the question, and that, while I personally would not oppose his amendment, it was quite likely that it might have to be dropped or altered in conference. I know it is the desire of the Congress to deal fairly with the respective interests in the Philippines, and not to allow any one or two or three firms to take all the business and exclude others, particularly when a part of the business is operated by continental American capital.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. LODGE. I should like to ask the Senator whether or not his amendment, which I have just heard read for the first time, would result in an increase in the amount of cordage coming to this country.

Mr. MILLER. Oh, no! It would not change the situation at all.

Mr. LODGE. It would not change the quantity?

Mr. MILLER. Not at all.

Mr. KING. Mr. President, I shall not object to the amendment going to conference; but I should be unwilling to have the Senate of the United States assume to direct the manu-

facturers or the people of the Philippines as to how they should allocate whatever commodities they produce for shipment to the United States.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. TYDINGS. I think the point of the Senator from Utah is well taken. I think perhaps in conference we can find some way of accomplishing the desired object without doing that against which the Senator from Utah protests.

Mr. MILLER. I think so.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. MILLER].

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF SECOND LIBERTY BOND ACT

Mr. HARRISON. Mr. President, I move that the Senate proceed to the consideration of House bill 5748. It is a bill to amend the Second Liberty Bond Act, as amended. It does not increase limitation on the national debt, but it eliminates the partition within the \$45,000,000,000 limit.

I may say, in making the motion, that I expect to follow it by asking that the bill be made the unfinished business, and shall not press it tonight. I merely move that it be considered.

Mr. AUSTIN. Mr. President, I ask to have the motion stated.

The PRESIDING OFFICER. The Senator from Mississippi moves that the Senate proceed to the consideration of a bill the title of which will be stated by the clerk.

The LEGISLATIVE CLERK. A bill (H. R. 5748) to amend the Second Liberty Bond Act, as amended.

Mr. HARRISON. Mr. President, I shall not proceed with the bill tonight. The Senator from Utah [Mr. KING] desires to discuss it tomorrow. It is so late tonight that I merely desire to have the bill made the unfinished business.

The PRESIDING OFFICER. The question is on the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5748) to amend the Second Liberty Bond Act, as amended.

Mr. NORRIS. Mr. President, I offer an amendment to the bill which has just been made the unfinished business. I ask that it be printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of sundry persons for promotion in the Foreign Service.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

Mr. ADAMS, from the Committee on Public Lands and Surveys, reported favorably the nomination of Mrs. Jessie M. Gardner, of Colorado, to be register of the land office at Denver, Colo. (Reappointment.)

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the nomination of David J. Lewis, of Maryland, to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1940, vice William M. Leiserson.

Mr. ASHURST (for Mr. O'MAHONEY), from the Committee on the Judiciary, reported favorably the nomination of Robert N. Wilkin, of Ohio, to be United States district judge for the northern district of Ohio, vice Samuel H. West, deceased.

Mr. AUSTIN (for Mr. HUGHES), from the Committee on the Judiciary, reported favorably the nomination of Calvert Magruder, of Massachusetts, to be judge of the United States Circuit Court of Appeals for the First Circuit, vice George H. Bingham, retired.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY—LESLIE R. DARR

The legislative clerk read the nomination of Leslie R. Darr to be United States district judge for the middle and eastern districts of Tennessee.

Mr. KING. Mr. President, I ask the Senator from Tennessee [Mr. McKellar] whether the confirmation of the judge with this title will in any way affect the bill which is pending before the Judiciary Committee which, as I understand, looks toward the ultimate creation of a new district in Tennessee.

Mr. McKELLAR. No; the confirmation of this nominee will not do that. This is a roving judge, and his confirmation would have nothing to do with that bill unless the bill should become a law, in which event he would become judge of that district.

I may say that this nomination was previously reported to the Senate by the committee; but the initials were wrong, and the nomination had to be sent back to the White House. This is a second submission of the nomination. I hope the Senator from Utah will allow it to be confirmed.

Mr. KING. The only point I was attempting to make is that there is pending before the Judiciary Committee a bill of the kind I have stated; and at the last meeting of the committee some objection was made to its being favorably reported because there was some question as to what its effect would be, whether it contemplated the creation of a new district or what effect it might have upon the nomination which is now before the Senate.

Mr. McKELLAR. The confirmation of this judge's nomination would have no effect on that bill.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination? Without objection, the nomination is confirmed.

Mr. McKELLAR. I ask unanimous consent that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the next nomination on the calendar.

LEO CALVIN CRAWFORD

The legislative clerk read the nomination of Leo Calvin Crawford to be United States attorney for the southern district of Ohio.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That concludes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 7 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 1, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 31, 1939

DIPLOMATIC AND FOREIGN SERVICE

Howard Bucknell, Jr., of Georgia, now a Foreign Service officer of class 3 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

COLLECTOR OF INTERNAL REVENUE

William P. Bowers, of Columbia, S. C., to be collector of internal revenue for the district of South Carolina, to fill an existing vacancy.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 31, 1939

UNITED STATES DISTRICT JUDGE

Leslie R. Darr to be United States district judge for the middle and eastern districts of Tennessee.

UNITED STATES ATTORNEY

Leo Calvin Crawford to be United States attorney for the southern district of Ohio.

POSTMASTERS

MINNESOTA

Margaret E. Mahling, Randall.
Morten G. Pedersen, Tyler.

OKLAHOMA

Robert P. McCoy, Haworth.
Clarence C. Russell, Wilson.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 31, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Christ, our Saviour and Redeemer, through endless years the same, we lift our prayer to Thee. We bless Thee that across the troubled waves of the sea of life comes the assurance: "I will never leave nor forsake thee." Underneath our stumbling doubts and our bewildering griefs are the everlasting arms of power and unchangeable goodness. Do Thou grant to those who desire the vision of wisdom, a stronger faith, the spirit of patience, and Thy directive presence. We pray that the Congress may heed the call of duty, and may the pride of our lives be to serve all men with free minds and warm hearts. Heavenly Father, inspire us all with those plain, heroic virtues out of which good men and great souls are fashioned, and men who lift the world and roll it in another course. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 485. An act providing for the cancelation of certain charges under section 20 of the River and Harbor Act of March 3, 1899;

S. 555. An act for the relief of Addison B. Hampel;

S. 581. An act for the relief of Robert H. Muirhead;

S. 683. An act for the relief of Fae Banas;

S. 809. An act for the relief of Jessie M. Durst;

S. 1031. An act to amend section 243 of the Penal Code of the United States, as amended by the act of June 15, 1935 (49 Stat. 378), relating to the marking of packages containing wild animals and birds and parts thereof;

S. 1047. An act for the relief of Emerson J. French;